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Supreme Court, U.S.
FILED
NOV 1 2010
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No. 10-604

In the

Supreme Court of the United States

VICTOR MOSELEY and CATHY MOSELEY
d/b/a VICTOR'S SECRET, VICTOR'S LITTLE SECRET,
Petitioners,

v.

V SECRET CATALOGUE, INC.,
VICTORIA'S SECRET STORES, INC.,
and VICTORIA'S SECRET CATALOGUE, INC.,
Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

PETITION FOR WRIT OF CERTIORARI

VICTOR D. MOSELEY
CATHY MOSELEY
200 SYCAMORE ST. #173
ELIZABETHTOWN, KY 42701
(270) 737-5231
vmoseley@windstream.net

Petitioners Pro Se

November 1, 2010

Becker Gallagher · Cincinnati, OH · Washington, D.C. · 800.890.5001

QUESTIONS PRESENTED FOR REVIEW

In April, 2002, Petitioners' request for certiorari was granted to interpret the language of the Federal Trademark Dilution Act and to give relief to Petitioners. Since that time congress passed into law the Trademark Dilution Revision Act of 2006. Four years have passed and the inferior Courts are again in a quandary in interpreting the language of the now TDRA. Being vexed twice, Petitioners respectfully request the service of this Court again. This Court's interpretation of the statutory language of the Trademark Dilution Revision Act will bring consistency and fairness to a very important Federal statute, saving judicial time and money.

1.

Whether the plain meaning of the definition of dilution by tarnishment, an association arising from the similarity between a mark or trade name and a famous mark "That harms the reputation of the famous mark," creates a rebuttable presumption or inference, requiring the owner of a new mark, the burden of coming forward with evidence that there is no likelihood or probability of tarnishment, or requiring the famous mark, to provide evidence that the new mark harms the reputation of the famous mark?

2.

Does the plain language of Section 43 of the Trademark Act of 1946 (15 U.S.C. § 1125) subsection (c) forbid its application to cases prior to its enactment?

3.

Does the separation of powers forbid Congress from legislatively overruling this case, and did the inferior courts err by following that reasoning, ignoring the mandate of the United States Supreme Court for four years, causing Petitioners to litigate this case again on the same claim, and issue, violating Petitioners' fifth amendment rights to due process?

4.

How semantically similar must a trademark be before it invokes a violation of the TDRA?

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OPINIONS BELOW

The decision of the Sixth Circuit is reported at 605 F.3d 382 (6th Cir. 2010) and is reproduced in the Appendix ("App.") herein at 1a-30a. The decision of the U.S. District Court for the Western District of Kentucky is reported at 558 F. Supp. 2d 734 (W.D. Ky 2008) and is reproduced at App. 31a-67a. The court of appeals order denying the petition for rehearing en banc is not reported. The court of appeals order denying rehearing is reproduced at App. 68a-70a.

JURISDICTION

The judgment of the Court of Appeals was entered on May 19, 2010 App., infra, 1a. The court of appeals denied a timely petition for rehearing en banc on August 5, 2010. App., infra, 68a. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Lanham Act Section 43(c)(1), 15 U.S.C. § 1125(c)(1) provides, in relevant part:

> Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

Lanham Act Section 43(c)(2)(c), 15 U.S.C. § 1125(c)(2)(c) provides, in relevant part:

> For purposes of paragraph (1), 'dilution by tarnishment' is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

STATEMENT OF THE CASE

This case has climbed the appellate ladder to the highest court in the land and was adjudicated, only to climb back down the ladder to be knocked off. It has now climbed back up that ladder and is knocking on the doors of the Supreme Court of the United States once more.

On February 7, 1998, petitioners Victor and Cathy Moseley opened a store called "Victor's Secret" in Elizabethtown, Ky.

On February 25, 1998, counsel for Respondents, Victoria's Secret (collectively "Victoria's Secret") sent the Moseleys a cease-and-desist letter alleging that the use of the name "Victor's Secret" was "likely to cause confusion." The Moseleys contacted the Respondents' counsel, Matt Lombard, and requested a copy of their logo and marks. After several phone calls and faxes back and forth, on or about March 3, 1998, Mr. Moseley changed the name of his store. He was under the impression from Respondents' counsel, that changing the name to "Victor's Little Secret" with a pair of pursed lips and finger "shhh" logo in the middle, and a motto, "Everything For Romantic Encounters" underneath, would satisfy their concerns.

After going through the expense and time to make these changes, on March 23, 1998, Mr. Moseley received another letter from Victoria's Secret counsel, wanting photographs, lists of products sold, samples of merchandise, and a host of other demands. Not until Mr. Moseley refused to comply with what he deemed unreasonable requests did respondents decide to file suit.

On June 22, 1998, Respondents filed suit in the United States District Court for the Western District Of Kentucky. Their complaint included trademark infringement, unfair competition, and trademark dilution under the Federal Trademark Dilution Act. After discovery, both parties moved for summary judgment. The District Court held that based on the facts of record, no likelihood of confusion existed as a matter of law. On that basis, all Respondents' claims were dismissed, except the FTDA claim. In concluding that no likelihood of confusion existed, the District Court held that when viewed in context, little similarity exists between "Victor's Little Secret" and "Victoria's Secret." However, the Court went on to hold that "Victor's Little Secret" was "sufficiently similar" to "Victoria's Secret" to cause dilution by both "blurring and "tarnishment "The District Court enjoined Petitioners from using the designation "Victor's Little Secret" or any similar mark.

Petitioners appealed the District Courts decision to the Court of Appeals for the Sixth Circuit. The respondents did not cross-appeal. The Sixth Circuit panel affirmed the injunction based on the District Courts findings of dilution by blurring and tarnishment.

Petitioners filed a timely petition for rehearing en banc. The court declined to even take a vote on whether to rehear the case. The three judge panel declined to reconsider its opinion and issued an order denying rehearing on October 4, 2001.

Petitioners then filed a Petition for Writ Of Certiorari, which was granted and argued on November 12, 2002 and decided March 4, 2003. (123 S. Ct. 1115 (2003)) with a unanimous decision in favor of the Petitioners. The Court found that there was a complete absence of evidence of any lessening of the "Victoria's Secret" mark's capacity to identify and distinguish goods or services sold in Victoria's Secret stores or advertised in its catalogs. The court went on to explain that the officer who saw the ad directed his offense entirely at the Petitioners not the Respondents. That any difficulties of proof that may be entailed in demonstrating actual dilution are not an acceptable reason for dispensing with proof of an essential element of a statutory violation. The case was reversed and remanded to the Sixth Circuit Court for further proceedings consistent with that decision. The Sixth Circuit received the judgment of the United States Supreme Court on April 7, 2003. Consistent with the decision of the Supreme Court, Petitioners moved the Circuit Court to vacate the injunction and to dismiss the complaint in its entirety. Respondents filed a response memorandum and Petitioners filed a reply memorandum. The Circuit Court held this case in informal abeyance for four years. After the TDRA was signed into law on October 6, 2006, the Sixth Circuit on July 26, 2007, (App., infra, 70a, 71a) finally remanded this case back to the District Court for further proceedings consistent with the Supreme

Court's decision in *Moseley d/b/a Victor's Little Secret v. V Secret Catalogue Inc.*, 123 S. Ct. 1115 (2003).

The Petitioners and the Respondents filed cross summary judgment motions on the issue of dilution in the District Court for the Western District of Kentucky. The District Court granted Summary Judgment in favor of Respondent (Victoria's Secret) and issued and granted a final and permanent injunction against Petitioners (Moseley) on May 19, 2008 (App., infra, 31a-67a). Notice of appeal was filed on June 19, 2008.

On May 19, 2010, the Sixth Circuit Court affirmed the decision of the District Court with a 2-1 spiit. Circuit Judge J. Merritt delivered the opinion (App., infra, 2a-28a), Circuit Judge J. Gibbons delivered a separate concurring opinion, with the exception of one small quibble, and Circuit Judge J. Moore delivered a separate dissenting opinion, because she believed that Victoria's Secret had not met its burden to show that "Victor's Little Secret" is likely to dilute the famous mark by way of tarnishment (App., infra, 18a-28a).

Petitioners filed a timely petition for rehearing en banc. The Respondents filed opposition to petition for rehearing. The petition for rehearing en banc, was circulated and the court declined to take a vote. After being reviewed by the original three Judge panel the petition was denied. Judge Moore would grant rehearing for the reasons stated in her dissent (App., infra, 68, 69a) The petition was denied on August 5, 2010.

REASONS FOR GRANTING THE PETITION

1. The opinion of the Sixth Circuit below conflicts with three or more circuit courts.

This Court heard and then decided this case on March 4, 2003, under the provisions of the Federal Trademark Dilution Act ("FTDA"). On October 6, 2006, the Trademark Dilution Revision Act ("TDRA") was signed into law.

Among the changes congress made was the phrase "causes dilution" in the FTDA, to "likely to cause dilution" in the new TDRA. The Sixth Circuit in their opinion (App., infra, 5a, 12a) somehow reads into this change that it creates a rebuttable presumption, or a strong inference, shifting to the owner of a new mark, the burden of coming forward with evidence that there is no likelihood or probability of tarnishment. The circuit court notes (App., infra, 12a) that the Committee Report seeks to "reduce" the "burden" of evidentiary production on the trademark holder. The court totally ignores the word "reduce" (to make smaller). The court goes on to explain its reasoning by saying that the burden-of-proof problem, the developing case law, and the Restatement (third) of Trademarks in § 25 (particularly subsection g) should now be interpreted, we think, to create a kind of rebuttable presumption. In fact, there is nothing in the statutory language of the TDRA. that would negate the responsibility to the junior mark, the burden of coming forward with evidence that there is no likelihood or probability of tarnishment. The revisions of the FTDA. were to reduce the evidentiary proof required of the famous mark, not to obliterate the famous marks obligation to prove the junior mark harms their

reputation. *See KP Permanent Make Up, Inc. v. Lasting Impression I, Inc. et al.*, 543 U.S. 111 (2004), on likelihood of confusion. Logically, the same rationale would apply on a likelihood of tarnishment claim. The Circuit Court goes on to explain, (App., infra, 13a), that they agree that the tarnishing effect of the Moseley's mark is somewhat speculative, but they have no evidence to overcome the strong inference created by case law, the Restatement, and congressional dissatisfaction with the burden of proof used in this case in the Supreme Court. The new law seems designed to protect trademarks from any unfavorable sexual association. Thus, any new mark with a lewd or offensive-to-some sexual association raises a strong inference of tarnishment. Hypothetically, if Petitioners' mark were the famous mark, and Respondents' mark were the junior mark, Petitioners would have a claim against Respondents, (simply because it is sex related and offensive to some) because they sale and promote sexy lingerie, crotchless panties, and other related items. Surely if this was the intent of Congress they would have included something in the statutory language of the TDRA. The plain language of 15 U.S.C. § 1125(c)(2)(c), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark "that harms the reputation of a famous mark" requires an actual showing of evidence, by the Respondents, that Petitioners' mark harms their reputation. The Circuit Court relies on eight federal cases (App., infra. 11a) for their opinion. This case differs in that Petitioners have never used Respondents' mark in any way. Petitioners have only used a common word of the English language in conjunction with Petitioners' first name, which may be semantically similar in spelling but is totally different. Further, Petitioners would be

hard pressed to express their reasoning any better than Judge Moore. *See* (App., infra, 26a). The Petitioners also agree with Sixth Circuit Judge Karen Nelson Moore, in her dissent (App., infra, 20a, 21a) who seems to follow the rational of the Second Circuit and would be in align with the Seventh and Fourth Circuit. The Second Circuit noted in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009) that a consumer may associate a negative-sounding junior mark with a famous mark says little of whether the consumer views the junior mark as harming the reputation of the famous mark. The more relevant question, for purposes of tarnishment, would have been how a hypothetical coffee [with a negative-sounding name] would affect the positive impressions about the coffee sold by Starbucks. *Starbucks Corp.*, 588 F.3d at 110.

Following the same rationale, the Seventh Circuit in *AutoZone v. Strick*, 543 F.3d 923 (7th Cir. 2008) (no. 07-2136), the court found that AutoZone's dilution claim still failed because AutoZone made no attempt to show actual or likely dilution of its mark.

The Fourth Circuit, in *Malletier v. Haute Diggity Dog*, 507 F.3d 252 (4th Cir. 2007) (no. 06-2267), would not even discuss Louis Vuitton's claim on tarnishment by dilution, stating, "To establish its claim for dilution by tarnishment, LVM must show, in lieu of blurring, that Haute Diggity Dog's use of the "Chewy Vuiton" mark on dog toys harms the reputation of the LOUIS VUITTON mark and LVM's other marks." LVM has, however, provided no record support for its assertion. After 12 years, and even if Respondents' newly minted evidence is considered, Respondents have failed to produce any probative evidence that Petitioners' use of

the mark "Victor's Little Secret" would harm their reputation under the FTDA or the TDRA standards.

2. The decision below conflicts directly with that of the United States Supreme Court and the plain language of the TDRA.

Respondents argue that legislative history demands the TDRA to be applied retroactive. Respondents rely on a statement of Anne Gundelfinger, President, of the International Trademark Association during a Hearing on H.R. 683 Before the H. Comm. On the Judiciary, 109th Cong. 17 (2005) Anne Gundelfinger testified that conduct arising before the enactment of H.R. 683 should not be penalized with compensatory damages because such damages as found in Landgraf are quintessentially backward looking. *Id.* (quoting *Landgraf v. USI Film Prods.*, 511 U.S. 244, 282 (1994)). She went on to state that the TDRA, however, should be applied to prospective injunctive relief. *Id.* No contravening testimony on the topic was given nor were there any comments from the Judiciary Committee on the subject. The Respondents claim that the legislative history therefore is completely consistent with every court that considered the issue that the TDRA applies to "pending" cases seeking injunctive relief.

The testimony of Ms. Gundelfinger is nothing more than her opinion. That there were no comments from the Judiciary Committee says little of the Committee's intent in drafting the TDRA. In fact the TDRA is not to be applied to cases prior to its enactment.

Despite the fact that the District and Circuit Courts are applying the TDRA to pending cases, if one

looks at the plain language it is clear that throughout the entire Trademark Act of 1946, Congress uses the term subsection to describe an entire portion of a section, they use the term paragraph to reference a portion of a subsection, and they use the term subparagraph to describe a portion of a paragraph. The point is that to understand the language one must look at all of Section 43 § 1125, False designations of origin and false descriptions forbidden. (App., infra, 72a). In revising the FTDA with [H.R. 683] congress states, Section 43 of the Trademark Act of 1946 (15 U.S.C. § 1125) is amended– (1) by striking SUBSECTION (c) [H.R.683) goes on (in brief) 15 U.S.C. § 1125 (c)(1) SUBJECT to THE PRINCIPLES OF EQUITY, injunctive relief by dilution, by blurring and dilution by tarnishment. Congress also uses, "COMMENCE USE," (continuing) 15 U.S.C. § 1125(c)(5) In an action brought under this SUBSECTION (referring to subsection (c) in its entirety) the owner of the famous mark shall be entitled to injunctive relief as set forth in section 34. The owner of a famous mark shall also be entitled to remedies set forth in sections 35(a) and 36, subject to the discretion of the court and THE PRINCIPLES OF EQUITY **if** § 1125(5)(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment WAS FIRST used in commerce by the person against whom the injunction is sought AFTER THE DATE OF ENACTMENT OF THE TRADEMARK DILUTION REVISION ACT OF 2006; **and**[1], "(B) in a claim arising UNDER THIS SUBSECTION- (again referring to subsection (c) in its entirety). If congress intended it to apply to only that portion of subsection

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[1] (Emphasis added); of importance are the words "if" and "and"

(c) they would have used the term for the purpose of paragraph, or subparagraph. Accordingly, Congress uses the term "Subject To The Principles of Equity" twice in subsection (c) and because of the principles of equity (the cost of litigating, the certainty of the law at that time) it would make sense that claims brought under the FTDA would remain under the FTDA, and claims brought after the revision would be regulated by the TDRA. Congress also logically uses the phrase "commence use." Therefore in keeping with the plain language, every time the word subsection is used, it is used for the entirety of subsection (c). The TDRA was not to be applied to cases prior to its enactment.

The District Court (App., infra, 37a) found no logical reason to differentiate this case from those that were coming back down the appellate ladder as to cases going up the appellate ladder. The Supreme Court in *Ed Plaut v. Spendthrift Farm Inc.*, 514 U.S. 211 (1995) (no. 93-1121), explains that distinction:

> Our decisions stemming from Hayburn's Case--although their precise holdings are not strictly applicable here, see supra, at 6-7--have uniformly provided fair warning that such an act exceeds the powers of Congress. *See, e.g., Chicago & Southern Air Lines, Inc.*, 333 U. S., at 113 ("[J]udgments within the powers vested in courts by the Judiciary Article of the Constitution may not lawfully be revised, overturned or refused faith and credit by another Department of Government"); *United States v. O'Grady*, 22 Wall. 641, 647-648 (1875) ("Judicial jurisdiction implies the power to hear and determine a cause, and . . . Congress cannot subject the judgments of the Supreme Court to

> the re examination and revision of any other tribunal"); *Gordon v. United States*, 117 U.S. 697, 700-704 (opinion of Taney, C. J.) (decided 1864, printed 1885) (judgments of Article III courts are "final and conclusive upon the rights of the parties"); Hayburn's Case, 2 Dall., at 411 (opinion of Wilson and Blair JJ., and Peters, D. J.) ("[R]evision and control" of Article III judgments is "radically inconsistent with the independence of that judicial power which is vested in the courts"); id., at 413 (opinion of Iredell, J., and Sitgreaves, D. J.) ("[N]o decision of any court of the United States can, under any circumstances, . . . be liable to a revision, or even suspension, by the [l]egislature itself, in whom no judicial power of any kind appears to be vested"). *See also Pennsylvania v. Wheeling & Belmont Bridge Co.*, 18 How. 421, 431 (1856) ("[I]t is urged, that the act of congress cannot have the effect and operation to annul the judgment of the court already rendered, or the rights determined thereby . . . . This, as a general proposition, is certainly not to be denied, especially as it respects adjudication upon the private rights of parties. When they have passed into judgment the right becomes absolute, and it is the duty of the court to enforce it"). Today those clear statements must either be honored, or else proved false.

Id. at 226.

The Court goes on to explain that the distinction between judgments from which all appeals have been forgone or completed, and judgments that remain on appeal (or subject to being appealed), is implicit in

what Article III creates: not a batch of unconnected courts, but a judicial department composed of inferior Courts and one supreme Court. Within that hierarchy, the decision of an inferior court is not (unless the time for appeal has expired) the final word of the department as a whole. It is the obligation of the last court in the hierarchy that rules on the case to give effect to Congress's latest enactment, even when that has the effect of overturning the judgment of an inferior court, since each court, at every level, must "decide according to existing laws." *U.S. v. Schooner Peggy*, *supra*, at 109. Having achieved finality, however, a judicial decision becomes the last word of the judicial department with regard to a particular case or controversy, and Congress may not declare by retroactive legislation that the law applicable to that very case was something other than what the courts said it was. Finality of a legal judgment is determined by statute, just as entitlement to a government benefit is a statutory creation; but that no more deprives the former of its constitutional significance for separation of powers analysis than it deprives the latter of its significance for due process purposes. *See, e.g., Cleveland Bd. of Ed. v. Loudermill*, 470 U.S. 532 (1985); *Meachum v. Fano*, 427 U.S. 215 (1976). Amazingly, on writ from the Sixth Circuit Court, the same court from which Petitioner appeals.

The District Court at (App., 35a n.5) addresses Respondents' theory that the Court of appeals might have held this case to afford Congress the opportunity to supersede the FTDA with new legislation. The Court goes on to say that there is no evidence in the record to support this suggestion and yet the Court suggests in footnote 6, (App., infra, 36a) that Congress amended the FTDA principally to overrule Moseley

and to require that only a likelihood of dilution be proved. The Circuit Court at (App., infra, 4a) comments that The new Act was expressly intended to overrule the Supreme Courts interpretation of the old Act in this very same case. The Circuit Court goes on to say that, "On remand to the District Court from the Supreme Court after the 2003 reversal, no new evidence was introduced, and the District Court reconsidered the case based on the same evidence but used the new language in the new Act WHICH OVERRULES the Supreme Court in this case." We will first brief the Supreme Court opinion and the reasons Congress overruled the Supreme Court in this case. There is no evidence that Congress intended to overrule Moseley and it is apparent the district and circuit court used this reasoning to substantiate their opinions. Congress simply responded to the decision of the Supreme Court by addressing the issues of the FTDA with the amended TDRA.

Law of the Case Doctrine does apply

In considering the Law of the Case Doctrine the Circuit Court reasons (App., infra, 15a) that The Law of the Case Doctrine has no application here to the prospective relief sought because, while the case was "pending" a "controlling authority" (Congress) changed the law, (*United States v. Moored*, 38 F.3d 1419, 1421 (6th Cir. 1994) ("a subsequent contrary view of the law by the controlling authority" in "pending" cases justifies disregarding the Law of the Case Doctrine.) Petitioners respectfully submit that this case was not "PENDING" and the law of the case doctrine applied.

In *Bissell Carpet-Sweeper Co. v. Goshen Sweeper Co.*, 72 F. 545, 548-549 (6th Cir. 1986) the circuit court

addresses this very issue, reasoning that: When a case has been decided by [the appellate] court on appeal, and remanded to the [trial] court, whatever was before [the appellate] court, and disposed of by its decree, is considered as finally settled. The [trial] court is bound by decree as the law of the case, and must carry it into execution according to the mandate. That court cannot vary it, or examine it for any other purpose than execution, or give any other or further relief, or review it, even for apparent error, upon any matter decided on appeal, or intermeddle with it, further than to settle so much as has been remanded.

The District Court, the Circuit Court and the Respondents continually refer and rely on this case as "pending." First we should look at the definition of "pending," unresolved, unsettled, undecided. This case was Decided March 4, 2003 by the U.S. Supreme Court. The highest appellate court. The judgment of the U.S. Supreme Court, ordering cost to be paid to Petitioners was entered on April 3, 2003. Petitioners submit and claim at this point this case became *res judicata*. The appellate process had been exhausted and was on its way back down the appellate ladder. On remand the only thing pending was the action of the Circuit and District Court to do their judicial duty and follow the mandate of the United States Supreme Court. The Circuit Court's failure or refusal to follow the mandate in a reasonable and timely manner does not change the fact that this case was resolved, settled, and decided. Simply put, Petitioners and Respondents both had filed motions for summary judgment, standing on their evidence. The only claim left of Respondents was dilution by tarnishment. All other claims were settled in favor of the Petitioners. The United States Supreme Court settled this last

claim in their decision on March 4, 2003, ruling that there was a complete absence of evidence for Respondents to prove their case. On remand the Supreme Court gave no direction to retry or litigate this case over. The appellate process had been exhausted. Again, the decision of the Supreme Court was final. The Petitioners submit and claim that the principles of *res judicata*, and collateral estoppel are a complete ban against the Respondents to litigate this case again. *See Parklane Hosiery Co., Inc. v. Shore*, 439 U.S. 322, 326 (1979), (A), Collateral estoppel, like the related doctrine of *res judicata*, [Footnote 5] has the dual purpose of protecting litigants from the burden of relitigating an identical issue with the same party or his privy and of promoting judicial economy by preventing needless litigation. *Citing Blonder-Tongue Labs., Inc. v. Univ. of Illinois Found.*, 402 U.S. 313, 328-329 (1971). "In any lawsuit where a defendant, because of the mutuality principle, is forced to present a complete defense on the merits to a claim which the plaintiff has fully litigated and lost in a prior action, there is an arguable misallocation of resources. To the extent the defendant in the second suit may not win by asserting, without contradiction, that the plaintiff had fully and fairly, but unsuccessfully, litigated the same claim in the prior suit, the defendant's time and money are diverted from alternative uses -- productive or otherwise to relitigation of a decided issue." *Parklane Hosiery Co., Inc.*, 439 U.S. at 328.

The Respondents originally argued their claim under the FTDA for dilution by tarnishment in the District and Circuit Courts under a "likely-to-cause-dilution" standard. Respondents swapped to a "causes-dilution" standard in the U.S. Supreme Court. Now after the decision of the U.S. Supreme Court in favor

of the Petitioners and the passage of the TDRA, Respondents again pursue the same claim on the same issue; dilution by tarnishment under a "likely-to-cause-dilution" standard again.

The Petitioners used the name Victor's Little Secret in conjunction with their business for almost two years. The Respondents failed to show any harm at all under the FTDA. It is unreasonable now to even presume that simply because the wording changed from "causes" to "likely to cause" that evidence just magically appears.

THE INFERIOR COURTS HAVE SHOWN A COMPLETE BIAS.

Since the inception of this case, the courts have shown a complete bias towards the Petitioners, based merely upon a statement of an army officer, who had never set foot in the Moseley's store to substantiate such a claim, that Petitioners' goods were cheap, tawdry, salacious, and unwholesome. (App., infra, 27a, 32a). There has not been one single shred of evidence introduced in this case to prove such a claim. Other than Respondents' Counsel, Frank Colluci, submitting a misleading and patently false affidavit, and the submission of Mr. Kriss's affidavit[2] declaring V. Secret's fame and store sales, Respondents have not introduced any new evidence to substantiate a claim of

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[2] Mr. Kriss fails to acknowledge the Victoria's Secret store opened in Elizabethtown, Ky. shortly after the Circuit court's denial for a hearing en banc on 10/04/01. This might be due to the fact that during discovery Respondents claimed that they had no plans to open a store in Elizabethtown, Ky.

dilution by tarnishment. The evidence in this case has essentially remained the same since its inception.

A court abuses its discretion when it bases its decision on an erroneous view of the law or a clearly erroneous assessment of the facts. (*United States v. Rahm*, 993 F.2d 1405 (9th Cir. 1993) (12). For expeditious reasons we will start with events after the Supreme Courts ruling in favor of Petitioners in 2003 culminating to this appeal. On remand from the U.S. Supreme Court, Petitioners moved the Sixth Circuit to (1) vacate the injunction entered by the district court under the FTDA; (2) reverse the February 9, 2000 summary judgment of dilution entered by the District Court in favor of Respondents (collectively "Victoria's Secret"); and (3) remand this case to the District Court with instructions to enter judgment for the Petitioner (Moseleys), dismissing the remaining (FTDA dilution) count Victoria's Secret's complaint (R.62-2, Memo. In Support of MSJ, p.3, ROA pldgs. Vol.1, p.22.). The Circuit Court ignored those motions until after the passage of the TDRA. On July 26, 2007, the Circuit Court, without writing an opinion, remanded this case back to the District Court for further proceedings consistent with that of the Supreme Court. The District Court scheduled a pretrial conference for August 23, 2007. After the close of this conference, Judge Simpson requested a conversation with Frank Colucci, (Respondents' Council) in private. At the following pretrial conference on October 22, 2007; in attendance were Victor Moseley, John Spainhour, and Licha Farah for Moseley, and Reford H. Coleman and Frank J. Colucci for V. Secret. Also in attendance by order of Judge Simpson, were Richard P. Schiller, Katherine Zimmer, Noel Halpin, for Grange Insurance Company, in regards to Petitioners' separate suit for

coverage of this case. Counsel for V. Secret withdrew their claims for monetary relief set forth in paragraphs B through E of the prayer for relief of the complaint in this civil action. This resulted in Petitioners' insurance company withdrawing its defense since V. Secret was now only seeking injunctive relief. The Circuit Court erroneously claims Petitioners' use of the word secret in their mark is to make the association with "Victoria's Secret" mark. (App., infra, 13a) That claim has long ago been settled in Petitioners' favor and is false. Respondents' voluntary dismissal of its damage claim reenforces the falsity of that statement (App., infra, 37a). Regardless that discovery ended on April 9, 1999, no request was made by either party to re-open discovery and Respondents had not filed a new claim under the TDRA. The District Court erroneously allowed Respondents to submit exhibits, affidavits of Frank Colucci (counsel for V. Secret), and affidavits of Mr. Kriss. Frank Colucci and Mr. Kriss were never identified as potential witnesses. Mr. Kriss was not employed by the Respondents until 2005, yet the District Court seems to put full weight behind his affidavits. Rule 56(f) does not contemplate permitting Respondents further discovery in this case.

Although Petitioners objected, the Circuit Court never addressed this issue. Further, both courts have consistently and erroneously referred to the adult nature of the Petitioners' goods as reason to grant an injunction with no evidence that Petitioners are likely to cause harm to Respondents' mark. The use of the remarkably similar "Victor's Secret" or "Victor's Little Secret" in connection with the sale of intimate lingerie along with sex toys and adult videos tarnishes the reputation of the Victoria's Secret mark. (App., infra, 65a). A famous mark is tarnished when its mark is

semantically associated with a new mark that is used to sell sex-related products (App., infra, 11a).

Interestingly, relying on a declaration of Kriss (App., infra, 64a, 65a) that V. Secret scrupulously avoids sexually explicit goods while cultivating a "sexy and playful" image contradicts their reliance on sex-related products. The definitions of sexy are arousing, or tending to arouse sexual desire, arousing sexual desire, see obscene, salacious, suggestive. In fact, the statement of Mr. Kriss is totally false. One only has to watch the news to see statements like the following.[3] Robert Knight, director of CWA'S Culture and Family Institute said "Victoria's Secret has crossed the line with its TV infomercial and its pornographic mall posters." FCC commissioner, Michael Copps said of Victoria's Secret fashion show, "We are deeply regretful for allowing such prurient programming to air." Surely since Respondents are so famous, the District and Circuit Courts are not so disenfranchised that they were not aware of Respondents' salacious reputation. Petitioners have never questioned Victoria's Secret fame but one only has to open one's eyes to see that that fame is predicated on the sale of sex-y related products. It would be hard to tarnish a reputation already tarnished. There is clearly a strong inference of intermeddling, and an overzealous desire, of the inferior courts, to rule in favor of Respondents.

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[3] http://www.cultureandfamily.org/articledisplay.asp?id=310&department=CFI&categoryid=cfreport

HOW DIFFERENT IS DIFFERENT ENOUGH?

Since the inception of this case in 1998 Petitioners have held that their trademark Victor's Secret, Victor's Little Secret is totally different than Respondents' Victoria's Secret. Yet, none of the Courts have answered question 3 above. It remains a guessing game when it comes to semantic similarities as to what is actionable under the TDRA and what is not.

Petitioners agree that there is a semantic similarity in the spelling of Victor's and Victoria's and that the word "secret" is the same as used in Respondents' mark. But Petitioners contend that both marks taken as a whole, Victor's Little Secret with a pair of pursed lips and a hand with a finger over those lips, and their motto "Everything For Romantic Encounters" underneath, appears and looks nothing like Respondents' plain Victoria's Secret mark and evokes a totally different image. Petitioners also contend that the font is different, and just because it is printed, semantics should not play as a factor. If it did, how many marks would have a semantic similarity, and would that be actionable under the TDRA? Of course not. Petitioners also contend that a famous mark can not hold a patent, trademark, or copyright to a word commonly used. At this time Petitioners are not questioning the constitutionality of the TDRA, but this court could take the opportunity to bring clarity as to semantic similarities, saving many judicial hours in future litigation. Examples would be if Vincent, Vittirow, Valorie, Vicky etc. used their first name in conjunction with the word "secret" to name their lingerie store, should that be anymore actionable than Cathy's, Joe's, Sherry's etc.? If so, then Vincent, Vittirow, Valorie, and Vicky, as in this case, are being

denied the right to use the word "secret," simply because of what their parents chose to name them. Trademarks must be taken as a whole, not broken into words, or based on semantic similarities. It should not be asked of a judge to be a fortune teller as to what is likely or unlikely to happen. Semantic similarities can be as similar or as dissimilar, depending on the eyes of the beholder.

CONCLUSION

It is very apparent that both the District and Circuit Court of appeals are clearly prejudiced against Petitioners merchandise and business. The inferior courts in four separate opinions have moralized and subjectively (without a developed record) considered Petitioners' goods as the reason to grant or uphold an injunction against Petitioners with absolutely no probative evidence that Petitioners' use of their business name, in the plain language of the TDRA, "harms the reputation of the famous mark." Clearly the objective standard applied by the Second, Fourth, and Seventh Circuit Court of Appeals follows the statutory language of the TDRA. Nowhere in the language of the revisions that Congress made to the FTDA, including the legislative history, is there an inkling or suggestion that the TDRA forms a rebuttable presumption. Again, as in Petitioners' prior conclusion, this subjective standard is precisely the type of outcome-based jurisprudence which federal statutes are supposed to avoid. The misinterpretations of the FTDA, and the TDRA, have forced Petitioners to defend themselves for over twelve years. Petitioners hope that their pain has been instrumental in helping other small businesses survive these types of claims. Petitioners assert and claim that this case under the

FTDA ended after the decision of this Court in 2003. If not for the ill founded and over zealous determination of the inferior courts to erroneously overrule Petitioners, Petitioners would not require the service of this Court again. Petitioners hope that in the name of justice, fairness to future litigants of the TDRA, and for all the reasons above, this Writ of Certiorari should be granted.

Respectfully Submitted,

Victor D. Moseley
Cathy Moseley
200 Sycamore St. #173
Elizabethtown, KY 42701
(270) 737-5231
vmoseley@windstream.net

Petitioners Pro Se

APPENDIX

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APPENDIX A

RECOMMENDED FOR FULL-TEXT PUBLICATION
Pursuant to Sixth Circuit Rule 206

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

No. 08-5793

[Filed May 19, 2010]

V SECRET CATALOGUE, INC., *Plaintiff-Appellee,*

and

VICTORIA'S SECRET STORES, INC., *Plaintiff,*

v.

VICTOR MOSELEY, dba Victor's Little Secret, fka Victor's Secret; CATHY MOSELEY, dba Victor's Little Secret, fka Victor's Secret, *Defendants-Appellants.*

Appeal from the United States District Court for the Western District of Kentucky at Louisville.

No. 98-00395—Charles R. Simpson III, District Judge.

Argued: January 21, 2010

Decided and Filed: May 19, 2010

Before: MERRITT, MOORE, and GIBBONS, Circuit Judges.

COUNSEL

ARGUED: John E. Spainhour, GIVHAN & SPAINHOUR, Shepherdsville, Kentucky, for Appellants. Frank J. Colucci, COLUCCI & UMANS, New York, New York, for Appellees. **ON BRIEF:** John E. Spainhour, GIVHAN & SPAINHOUR, Shepherdsville, Kentucky, for Appellants. Frank J. Colucci, COLUCCI & UMANS, New York, New York, for Appellees.

MERRITT, J., delivered the opinion of the court. GIBBONS, J. (p. 12), delivered a separate concurring opinion. MOORE, J. (pp. 13-19), delivered a separate dissenting opinion.

OPINION

MERRITT, Circuit Judge. In this trademark "dilution by tarnishment" case, brought under the

Trademark Dilution Revision Act of 2006,[1] the question is whether the plaintiff, an international lingerie company that uses the trade name designation "Victoria's Secret" has a valid suit for injunctive relief against the use of the name "Victor's Little Secret" or "Victor's Secret" by the defendants, a small retail store in a mall in Elizabethtown, Kentucky, that sells assorted merchandise, including "sex toys" and other sexually oriented products. The District Court issued the injunction. Since then the shop has been operating

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[1] The relevant provisions of the new law change the test for "dilution by tarnishment" from an "actual" to only a likelihood of "harm" to the "reputation" of the senior mark:

> **15 U.S.C. § 1125(c) Dilution by blurring; dilution by tarnishment**
> **(1) Injunctive relief**
>
> Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce *that is likely to cause dilution by blurring or dilution by tarnishment* of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition or of actual economic injury.
>
> **(2) Definition**
>
> (C) For purposes of paragraph (1), "dilution by tarnishment" *is association* arising from the similarity between a mark or trade name and a famous mark that *harms the reputation* of the famous mark.

(Emphasis added.)

under the name of "Cathy's Little Secret." The District Court concluded that even though the two parties do not compete in the same market, the "Victor's Little Secret" mark — because it is sex related — disparages and tends to reduce the positive associations and the "selling power" of the "Victoria's Secret" mark. The question is whether the plaintiff's case meets the definitions and standards for "dilution by tarnishment" set out in the new Act which amended the old Act, *i.e.*, the Federal Trademark Dilution Act of 1995.[2]

The new Act was expressly intended to overrule the Supreme Court interpretation of the old Act in this very same case, *Moseley v. V Secret Catalog, Inc.*, 537 U.S. 418 (2003), *rev'g* 259 F.3d 464 (6th Cir. 2001), *aff'g* 54 U.S.P.Q.2d 1092 (W.D. Ky. 2000). The Supreme Court reversed a panel of this Court that had affirmed an injunction against "Victor's Little Secret" issued by the District Court. On remand to the District Court from the Supreme Court after the 2003 reversal, no new evidence was introduced, and the District Court reconsidered the case based on the same evidence but used the new language in the new Act which overrules the Supreme Court in this case. We will first brief the Supreme Court opinion and the reasons Congress overruled the Supreme Court in this

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[2] The relevant provisions of the old law provide:

> § 1125(c)(1). The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, *if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark*. . . .

case. We will then outline our understanding of the new standards for measuring trademark "dilution by tarnishment" and apply them to this case. We conclude that the new Act creates a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex related products is likely to tarnish a famous mark if there is a clear semantic association between the two. That presumption has not been rebutted in this case.

I. The Supreme Court Opinion and the New Act

The Supreme Court explained that this case started when an Army Colonel at Fort Knox saw an ad for "Victor's Secret" in a weekly publication. It advertised that the small store in Elizabethtown sold adult videos and novelties and lingerie.[3] There was no likelihood of

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[3] The Supreme Court explained:

"In the February 12, 1998, edition of a weekly publication distributed to residents of the military installation at Fort Knox, Kentucky, petitioners advertised the "GRAND OPENING just in time for Valentine's Day!" of their store "VICTOR'S SECRET" in nearby Elizabethtown. The ad featured "Intimate Lingerie *for every woman*," "Romantic Lighting"; "Lycra Dresses"; "Pagers"; and "Adult Novelties/Gifts." An army colonel, who saw the ad and was offended by what he perceived to be an attempt to use a reputable company's trademark to promote the sale of "unwholesome, tawdry merchandise," sent a copy to respondents. Their counsel then wrote to petitioners stating that their choice of the name "Victor's Secret" for a store selling lingerie was likely to cause confusion with the well-known VICTORIA'S SECRET mark and, in addition, was likely to "dilute the distinctiveness" of the mark. They requested the immediate discontinuance of the use of the name "and any variations thereof." In response, petitioners changed the name of their store to "Victor's Little Secret."

confusion between the two businesses or the two marks, but the Army Colonel was offended because the sexually-oriented business was semantically associating itself with "Victoria's Secret." The Court explained that the concepts of "dilution by blurring" and "dilution by tarnishment" originated with an article in the Harvard Law Review, Frank Schechter, "Rational Basis of Trademark Protection," 40 HARV. L. REV. 813 (1927), and that the history and meaning of the concepts were further well explained in Restatement (Third) of Unfair Competition, Section 25 (1995). The Restatement section referred to by the Supreme Court explains this new intellectual property tort and contains in § 25 a comprehensive statement of "Liability Without Proof of Confusion: Dilution and Tarnishment." "Tarnishment," as distinguished from "dilution by blurring" was the only claim before the Supreme Court and is the only claim before us in this new appeal. We quote at length the relevant Restatement explanation of "tarnishment" in the footnote below.[4]

Because that change did not satisfy respondents, they promptly filed this action in Federal District Court." 537 U.S. at 426 (internal citations omitted).

[4] "c. *Interests protected.* The antidilution statutes have been invoked against two distinct threats to the interests of a trademark owner. First, a mark may be so highly distinctive and so well advertised that it acts as a powerful selling tool. Such a mark may evoke among prospective purchasers a positive response that is associated exclusively with the goods or services of the trademark owner. To the extent that others use the trademark to identify different goods, services or businesses, a dissonance occurs that blurs this stimulant effect of the mark. The antidilution statutes protect against this dilution of the distinctiveness and selling power of the mark.

The selling power of a trademark also can be undermined by a use of the mark with goods or services such as illicit drugs or pornography that "tarnish" the mark's image through inherently negative or unsavory associations, or with goods or services that produce a negative response when linked in the minds of prospective purchasers with the goods or services of the prior user, such as the use on insecticide of a trademark similar to one previously used by another on food products.

Tarnishment and dilution of distinctiveness, although conceptually distinct, both undermine the selling power of a mark, the latter by disturbing the conditioned association of the mark with the prior user and the former by displacing positive with negative associations. Thus, tarnishment and dilution of distinctiveness reduce the value of the mark to the trademark owner.

. . . .

g. Tarnishment. The antidilution statutes have also been invoked to protect the positive associations evoked by a mark from subsequent uses that may disparage or tarnish those associations. The rule stated in Subsection (1)(b) applies to cases in which the tarnishment results from a subsequent use of the mark or a substantially similar mark in a manner that associates the mark with different goods, services, or businesses. Use of another's mark by the actor, not as a trademark or trade name, but in other ways that may disparage or tarnish the prior user's goods, services, business, or mark is governed by the rule stated in Subsection (2).

Any designation that is distinctive under the criteria established in § 13 is eligible for protection against disparaging or tarnishing use by others. Whenever the subsequent use brings to mind the goods, services, business, or mark of the prior user, there is potential for interference with the positive images associated with the mark. To prove a case of tarnishment, the prior user must demonstrate that the subsequent use is likely to come to the attention of the prior user's prospective purchasers and that the use is likely to undermine or damage the positive associations evoked by the mark.

After reviewing a number of secondary sources other than the Harvard Law Review article and the Restatement, including state statutes on dilution and a Fourth Circuit case, the Supreme Court held that "actual harm" rather than merely the "likelihood of tarnishment" is necessary and stated its conclusion as follows:

> Noting that consumer surveys and other means of demonstrating actual dilution are expensive and often unreliable, respondents [Victoria's Secret] and their *amici* argue that evidence of *an actual* "lessening of the capacity of a famous mark to identify and distinguish goods or services," may be difficult to obtain. It may well be, however, that direct evidence of dilution such as consumer surveys will not be necessary *if actual dilution can reliably be proved* through circumstantial evidence — the obvious case is one where the junior and senior marks are identical. *Whatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation.* The evidence in the

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Illustration:

3. *A*, a bank, uses the designation "Cookie Jar" to identify its automatic teller machine. *B* opens a topless bar across the street from *A* under the trade name "Cookie Jar." Although prospective customers of *A* are unlikely to believe that *A* operates or sponsors the bar, *B* is subject to liability to *A* for tarnishment under an applicable antidilution statute if the customers are likely to associate *A*'s mark or *A*'s business with the images evoked by *B*'s use."

> present record is not sufficient to support the summary judgment on the dilution count. The judgment is therefore reversed, and the case is remanded for further proceedings consistent with this opinion.

537 U.S. at 434 (emphasis added).

Thus, the Court held that "actual harm" rather than merely a "likelihood" of harm must be shown by Victoria's Secret in order to prevail and that this means that Victoria's Secret carries the burden of proving an actual "lessening of the capacity of the Victoria's Secret mark to identify and distinguish goods or services sold in Victoria's Secret stores or advertised in its catalogs." *Id.* In the new law Congress rejected the Court's view that a simple "likelihood" of an association in the consumer's mind of the Victoria's Secret mark with the sexually-oriented videos and toys of "Victor's Secret" is insufficient for liability.

The House Judiciary Committee Report states the purpose of the new 2006 legislation as follows:

> The *Moseley* standard *creates an undue burden* for trademark holders who contest diluting uses and should be revised.
>
> . . . .
>
> The new language in the legislation [provides] . . . specifically that the standard for proving a dilution claim is "likelihood of dilution" and that both dilution by blurring and dilution by tarnishment are actionable.

(Emphasis added.) U.S. Code Cong. & Adm. News, 109th Cong. 2d Sess. 2006, Vol. 4, pp. 1091, 1092, 1097. The relevant language of the new Act designed to carry out this purpose is recited and underlined in footnote 1, *supra*. The drafters of the Committee Report also called special attention to the "burden" of proof or persuasion placed on "trademark holders" by the Supreme Court's opinion in *Moseley*, suggesting a possible modification in the burden of proof. The question for us then is whether "Victor's Little Secret" with its association with lewd sexual toys creates a "likelihood of dilution by tarnishment" of Victoria's Secret mark.

II. Application of Statutory Standard

The specific question in this case is whether, without consumer surveys or polls or other evidence, a semantic "association" is equivalent to a liability-creating mental "association" of a junior mark like "Victor's Little Secret" with a famous mark like "Victoria's Secret" that constitutes dilution by tarnishment when the junior mark is used to sell sexual toys, videos and similar soft-core pornographic products. There appears to be a clearly emerging consensus in the case law, aided by the language of § 25 of the Restatement of Trademarks 3d, quoted in footnote 4, *supra*, that the creation of an "association" between a famous mark and lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling power. This consensus stems from an economic prediction about consumer taste and how the predicted reaction of conventional consumers in our culture will affect the economic value of the famous mark.

There have been at least eight federal cases in six jurisdictions that conclude that a famous mark is tarnished when its mark is semantically associated with a new mark that is used to sell sex-related products. We find no exceptions in the case law that allow such a new mark associated with sex to stand. *See Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009) (defendants' display at an adult entertainment exhibition of two models riding a VIAGRA-branded missile and distributing condoms would likely harm the reputation of Pfizer's trademark); *Williams-Sonoma, Inc. v. Friendfinder, Inc.*, No. C 06-6572 JSW (MEJ), 2007 WL 4973848, at *7 (N.D. Cal., Dec. 6, 2007) (defendants' use of POTTERY BARN mark on their sexually-oriented websites likely to tarnish "by associating those marks for children and teenager furnishings"); *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 949-50 (N.D. Ill. 2002) (pornographic website's use of "VelVeeda" tarnishes VELVEETA trademark); *Victoria's Cyber Secret Ltd. P'ship v. V Secret Catalogue, Inc.*, 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001) (defendants' internet trade names likely to tarnish famous mark when websites "will be used for entertainment of a lascivious nature suitable only for adults"); *Mattell, Inc. v. Internet Dimensions Inc.*, 55 U.S.P.Q.2d 1620, 1627 (S.D.N.Y. 2000) (linking BARBIE with pornography will adversely color the public's impressions of BARBIE); *Polo Ralph Lauren L.P. v. Schuman*, 46 U.S.P.Q.2d 1046, 1048 (S.D Tex. 1998) (defendants' use of "The Polo Club" or "Polo Executive Retreat" as an adult entertainment club tarnished POLO trademark); *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. 124, 135 (N.D. Ga. 1981) (defendant's sexually-oriented variation of the PILLSBURY DOUGHBOY tarnished plaintiff's mark);

Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 467 F. Supp. 366, 377 (S.D.N.Y. 1979) (pornographic depiction of a Dallas Cowboys Cheerleader-style cheerleader in an adult film tarnished the professional mark of the Dallas Cowboys).

The phrase "likely to cause dilution" used in the new statute (see footnote 1) significantly changes the meaning of the law from "causes actual harm" under the pre-existing law. The word "likely" or "likelihood" means "probably," WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY 1310 (1963); BLACK'S LAW DICTIONARY 1076 (1968). It is important to note also that the Committee Report quoted above seeks to reduce the "burden" of evidentiary production on the trademark holder. The burden-of-proof problem, the developing case law, and the Restatement (Third) of Trademarks in § 25 (particularly subsection g) should now be interpreted, we think, to create a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two. This *res ipsa loquitur*-like effect is not conclusive but places on the owner of the new mark the burden of coming forward with evidence that there is no likelihood or probability of tarnishment. The evidence could be in the form of expert testimony or surveys or polls or customer testimony.

In the present case, the Moseleys have had two opportunities in the District Court to offer evidence that there is no real probability of tarnishment and have not done so. They did not offer at oral argument any suggestion that they could make such a showing

or wanted the case remanded for that purpose. The fact that Congress was dissatisfied with the *Moseley* result and the *Moseley* standard of liability, as well as apparently the *Moseley* burden of proof, supports the view of Victoria's Secret that the present record — in the eyes of the legislative branch — shows a likelihood of tarnishment. Without evidence to the contrary or a persuasive defensive theory that rebuts the presumption, the defendants have given us no basis to reverse the judgment of the District Court. We do not find sufficient the defendants' arguments that they should have the right to use Victor Moseley's first name and that the effect of the association is *de minimis*. The Moseleys do not have a right to use the word "secret" in their mark. They use it only to make the association with the Victoria's Secret mark. We agree that the tarnishing effect of the Moseley's mark on the senior mark is somewhat speculative, but we have no evidence to overcome the strong inference created by the case law, the Restatement, and Congressional dissatisfaction with the burden of proof used in this case in the Supreme Court. The new law seems designed to protect trademarks from any unfavorable sexual associations. Thus, any new mark with a lewd or offensive-to-some sexual association raises a strong inference of tarnishment. The inference must be overcome by evidence that rebuts the probability that some consumers will find the new mark both offensive and harmful to the reputation and the favorable symbolism of the famous mark.

Our dissenting colleague, in relying on the Supreme Court treatment of the proof in this case — for example, the long quotation from the Supreme Court concerning the legal effect of the evidence — fails to concede what seems obvious: Congress

overruled the Supreme Court's view of the burden of proof. As quoted above, it said, "the Moseley standard creates an undue burden for trademark holders who contest diluting uses. . . . ." It seems clear that the new Act demonstrates that Congress intended that a court should reach a different result in this case if the facts remain the same. We do not necessarily disagree with our dissenting colleague that the policy followed by the Supreme Court in such cases may be better. We simply believe that the will of Congress is to the contrary with regard to the proof in this case and with regard to the method of allocating the burden of proof.

III. Other Issues

The defendants also contend that the new Act should not be applied to them in this case because (1) the Law of the Case Doctrine means that the Supreme Court opinion in their favor remains in effect, (2) the new Act is not retroactive, and (3) the plaintiff's claim does not fit within the language of the Act found in 15 U.S.C. § 1125(c)(5) which reads as follows:

> **Additional remedies**
>
> In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 1116 of this title. [Describing requirements in addition to normal injunctions under § 1125(c)(1) to obtain injunctions in various kinds of trademark disputes.] The owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, [Describing remedies for attorneys fees, treble damages, etc., not applicable here.] subject to

the discretion of the court and the principles of equity if –

(A) The mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after October 6, 2006, and

(B) in a claim arising under this subsection —

(I) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) *by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.*

Defendants claim somehow that the new Act is only applicable to claims brought under this subsection and that the plaintiff's claims were brought for use of a trade name used before, not after October 6, 2006, and hence in violation of subsection (5)(A).

1. Law of the Case Doctrine. — The Law of the Case Doctrine has no application here to the prospective relief sought because while the case was pending a "controlling authority" (Congress) changed the law, *see United States v. Moored*, 38 F.3d 1419, 1421 (6th Cir. 1994) ("a subsequent contrary view of the law by the controlling authority" in a pending case justifies disregarding the Law of the Case Doctrine).

2. Retroactivity. — New statutes are not necessarily "retroactive" and may be applied to pending cases where prospective relief is sought for ongoing conduct: "When the intervening statute authorizes or affects the propriety of prospective relief, application of the new provision is not retroactive." *Landgraft v. U.S.I. Film Prods.*, 511 U.S. 244, 273-74 (1994).

3. Applicability of 15 U.S.C. § 1125(c)(5). — The defendants' reliance on this subsection of the new act is misplaced. This subsection of the new Act refers to "Additional remedies," not set out in the injunctive relief section of § 1125(c)(1), the first section of the new Act quoted in footnote 1 above which provides for an injunction "at anytime after the owner's mark has become famous" and the junior mark "that is likely to cause dilution" is used. The new Act intervened and required a reconsideration of the case on the merits. We have now fully considered the case on the merits, as well as the defendants' other defenses and conclude that the District Court did not err in its decision in favor of the plaintiff, Victoria's Secret.

Accordingly, the judgment of the District Court is AFFIRMED.

CONCURRENCE

JULIA SMITH GIBBONS, Circuit Judge, concurring. I fully concur in the majority opinion with the exception of one small quibble. I would not use the term "rebuttable presumption" to describe the inference that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two. Practically speaking, what the inference is called makes little difference. I agree with the majority opinion that the inference is a strong one and that, to counter it, some evidence that there is no likelihood or probability of tarnishment is required. But because we are endeavoring to interpret a new law and because the legislative history is not explicit on the point of modification of the burden of proof, I think it best to end our analysis by characterizing the inference as an inference.

DISSENT

KAREN NELSON MOORE, Circuit Judge, dissenting. Because I believe that Victoria's Secret has failed to produce sufficient evidence to show that the Moseleys' use of the name "Victor's Little Secret" is likely to tarnish the VICTORIA'S SECRET mark, I would reverse the judgment of the district court and must respectfully dissent.

Under the Trademark Dilution Revision Act of 2006 ("TDRA"), Victoria's Secret is entitled to injunctive relief if the Moseleys' use of "Victor's Little Secret" as the name of their adult-oriented novelty store[1] "is likely to cause dilution . . . by tarnishment of the" VICTORIA'S SECRET mark. 15 U.S.C. § 1125(c)(1). "[D]ilution by tarnishment" is defined as an "association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark." *Id.* § 1125(c)(2)(C). Thus, under the terms of the statute, to determine whether the VICTORIA'S SECRET mark is likely to be tarnished by the Moseleys' use, this court must inquire as to both the "association" between

[1] Victor's Little Secret "sell[s] a wide variety of items, including adult videos, adult novelties, and lingerie." *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 424 (2003) (internal quotation marks omitted); *see also id.* at 424 n.4 (listing numerous other items sold). "Victor Moseley stated in an affidavit that women's lingerie represented only about five percent of their sales." *Id.* at 424.

the two marks and the "harm" that the association causes to the senior mark.

Because I agree that there is a clear association between the two marks, the determinative inquiry in this dilution-by-tarnishment case is whether that association is likely to harm Victoria's Secret's reputation. *See id.* § 1125(c)(2)(C) ("that harms the reputation of the famous mark"). Contrary to the majority's conclusion, however, given the record before the panel, I would hold that Victoria's Secret has failed to meet its burden to show that the Moseleys' use of "Victor's Little Secret" is likely to dilute Victoria's Secret's mark.[2]

Victoria's Secret's evidence of tarnishment includes nothing more than the following: (1) an affidavit from Army Colonel John E. Baker stating that he "was . . . offended by [the] defendants' use of [Victoria's Secret's] trademark to promote . . . unwholesome, tawdry

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[2] I respectfully disagree with the majority's conclusion that in dilution-by-tarnishment cases involving new marks "with lewd or offensive-to-some sexual association[s]" the TDRA establishes a presumption or inference of tarnishment that the Moseleys must rebut. Maj. Op. at 9, 10. To be sure, the House Judiciary Committee Report highlights Congress's concern with the pre-TDRA actual-dilution standard, but I do not read its concern that the previous standard created "an undue burden" to mean that Congress envisioned a modification of the party that bears the burden of proof as opposed to simply a lightening of the evidentiary showing. *See* H.R. Rep. No. 109-23, at 5 (2005) ("Witnesses at the[] [legislative] hearings focused on the standard of harm threshold articulated in *Mosely* [sic]. . . . The *Mosely* [sic] standard creates an undue burden for trademark holders who contest diluting uses and should be revised."). The burden to show tarnishment remains with Victoria's Secret.

merchandise," such as "'adult' novelties and gifts," and that since his "wife . . . and . . . daughter . . . shop at Victoria's Secret, [he] was further dismayed by [the] defendants' effort to associate itself with, trade off on the image of, and in fact denigrate a store frequented by members of [his] family," Record on Appeal ("ROA") at 267 (Baker Aff.); and (2) a statement from one of Victoria's Secret's corporate officers that Victoria's Secret strives to "maintain[] an image that is sexy and playful" and one that "avoid[s] sexually explicit or graphic imagery." *Id.* at 90 (Kriss Aff.).

Reviewing Baker's affidavit, I believe that it is plain that Baker made a "mental association" between "Victor's Little Secret" and "Victoria's Secret." *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003); *see also* ROA at 266 (Baker Aff.). It is also clear that Baker held a negative impression of "Victor's Little Secret." *See Moseley*, 537 U.S. at 434; *see also* ROA at 267 (Baker Aff.). But despite the clear negative association of this *one* individual when confronted with "Victor's Little Secret," Victoria's Secret has presented *no* evidence that Baker's, or anyone else's, distaste or dislike of "Victor's Little Secret" is likely to taint their positive opinion or perception of Victoria's Secret. Yet evidence that the junior mark is likely to undermine or alter the positive associations of the senior mark—i.e., evidence that the junior mark is likely to harm the reputation of the senior mark—is precisely the showing required under the plain language of 15 U.S.C. § 1125(c)(2)(C) to prove dilution by tarnishment. As the Second Circuit recently noted in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009):

> That a consumer may associate a negative-sounding junior mark with a famous mark says little of whether the consumer views the junior mark as harming the reputation of the famous mark. The more relevant question, for purposes of tarnishment, would have been how a hypothetical coffee [with a negative-sounding name] would affect the positive impressions about the coffee sold by Starbucks.

Starbucks Corp., 588 F.3d at 110; *see also* J. Thomas McCarthy, 4 McCarthy on Trademarks and Unfair Competition § 24:89 (4th ed.) [hereinafter McCarthy on Trademarks] (discussing tarnishment claims as being premised on the notion that "positive associations" of the senior mark will be displaced or degraded by the negative associations of the junior mark); Restatement (Third) of Unfair Competition § 25 cmt. g (1995) ("To prove a case of tarnishment, the prior user must demonstrate that the subsequent use is likely to . . . undermine or damage the positive associations evoked by the mark."). In fact, when reviewing the exact same evidentiary record, the Supreme Court explicitly noted that Victoria's Secret's offer of proof included no evidence that "Victor's Little Secret" affected Baker's positive impressions of Victoria's Secret:

> The record in this case establishes that an army officer . . . did make the mental association with "Victoria's Secret," but it also shows that *he did not therefore form any different impression of the store that his wife and daughter had patronized*. There is a complete absence of evidence of any lessening of the capacity of the VICTORIA'S SECRET mark to identify and

> distinguish goods or services sold in Victoria's Secret stores or advertised in its catalogs. The officer was offended by the ad, *but it did not change his conception of Victoria's Secret*. His offense was directed entirely at [the Moseleys], not at [Victoria's Secret]. Moreover, the expert retained by respondents had nothing to say about the impact of [the Moseleys'] name on the strength of [Victoria's Secret's] mark.

Moseley, 537 U.S. at 434 (emphases added).[3]

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[3] The majority mischaracterizes my citation to the Supreme Court's decision as evidencing a refusal to follow the "will of Congress" and a desire to follow the pre-TDRA "policy [of the] . . . Supreme Court." Maj. Op. at 9. My citation to the Supreme Court's decision, however, does no such thing. First, as stated previously, I believe that the majority's conclusion that Congress intended to change which party has the burden of proof—i.e., the framework governing which party must put forth evidence in support of its position—as opposed to the standard of harm—i.e., actual harm versus a likelihood of harm—is not supported by the statute or the legislative history. In fact, the only evidence that the majority cites in support of its belief that Congress intended to place the burden of proof on the defendant is the House Committee Report, but even that Report undercuts the majority's argument. The full paragraph from which the majority draws its quotation states:

> Witnesses at the[] [legislative] hearings focused on the *standard of harm threshold* articulated in *Mosely* [sic]. For example, a representative of the International Trademark Association observed that "[b]y the time measurable, provable damage to the mark has occurred much time has passed, the damage has been done, and the remedy, which is injunctive relief, is far less effective." The Committee endorses this position. The *Mosely* [sic] standard creates an undue burden for trademark holders who contest diluting uses and should be revised."

H.R. Rep. No. 109-23, at 5 (internal footnote omitted and

In short, Victoria's Secret has presented *no* probative evidence that anyone is likely to think less of Victoria's Secret as a result of "Victor's Little Secret" and cannot therefore prevail on its claim of dilution by tarnishment. *See Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 507 (2d Cir. 1996) ("Absent any showing that Henson's use [of a puppet named Spa'am] will create negative associations with the SPAM mark, there [is] little likelihood of dilution."). Instead of developing a record on remand that contains

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emphasis added). It was the "standard of harm threshold," i.e., the showing of actual harm that the Supreme Court employed, that was Congress's concern, not the party bearing the burden of proof. This conclusion is supported by the hearings to which the Committee Report refers. During those hearings, the focus of both the House Representatives and the witnesses was whether Congress should "maintain an actual dilution standard, as the Supreme Court held in the Victoria's Secret case," or adopt a "likelihood of dilution standard." *Trademark Dilution Revision Act of 2005: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 4 (2005) (statement of Rep. Berman); *see generally id.* at 1–54.

I certainly recognize that Congress changed the law concerning dilution in response to the Supreme Court's decision in *Moseley*, but the Supreme Court in *Moseley* said nothing about changing the party bearing the burden of proof and neither does the amended statute. Instead, the statute explicitly states that "dilution by tarnishment" is an "association arising from the similarity between a mark or trade name and a famous mark *that harms the reputation of the famous mark*." 15 U.S.C. § 1125(c)(2)(C) (emphasis added). In concluding that Victoria's Secret has failed to prove a likelihood of tarnishment because it has failed to present evidence that Victor's Little Secret is likely to harm the reputation of its mark, I am doing nothing more than applying the plain language of the statute that Congress enacted after the Supreme Court's decision. This approach certainly reflects the "will of Congress." Maj. Op. at 9.

at least some evidence that Victoria's Secret's reputation is likely to suffer because of the negative response that "Victor's Little Secret" engendered, the record before the panel indicates only that a single individual thinks poorly of "Victor's Little Secret." *See Moseley*, 537 U.S. at 434. On this record, it is simply no more probable that Victoria's Secret will suffer reputational harm as a result of the Moseleys' use of "Victor's Little Secret" than it is probable that those who are offended by "Victor's Little Secret" will limit their negative impressions to the Moseleys and refrain from projecting those negative associations upon Victoria's Secret. Baker's affidavit does nothing to contradict this conclusion, and given the absence of any indication that his or his family's opinion of Victoria's Secret changed following the Moseleys' use of "Victor's Little Secret," his affidavit may, in fact, provide evidence that individuals are likely to confine their distaste to the Moseleys. *See id.* ("The officer was offended by the ad, but it did not change his conception of Victoria's Secret. His offense was directed entirely at [the Moseleys], not at [Victoria's Secret].").

Certainly, it is *possible* that the Moseleys' use of "Victor's Little Secret" to sell adult-oriented material and other novelties could reflect poorly on the VICTORIA'S SECRET mark and could cause Victoria's Secret to suffer damage to its "sexy and playful" reputation, but the evidentiary standard set forth in the statute is one of likelihood *not* mere possibility. Likelihood is based on probable consequence and amounts to more than simple speculation as to what might possibly happen. *See* McCarthy on Trademarks § 24:115 n.2 (indicating that "'likelihood' in the dilution part of the Lanham Act has the same meaning

as it does in the traditional infringement sections of the Lanham Act: as synonymous with 'probability'"); *see also Parks v. LaFace Records*, 329 F.3d 437, 446 (6th Cir. 2003) ("A 'likelihood' means a 'probability' rather than a 'possibility' of confusion."). Yet, as the majority notes, on the instant record, the "tarnishing effect of the Moseley's mark on the senior mark" is nothing more than "speculative." Maj. Op. at 8-9.

Despite the absence of evidence, the majority is willing to assume that Victoria's Secret has met its burden to prove the essential element of "harm to reputation" based on the fact that numerous cases from other jurisdictions conclude, without much inquiry, "that a famous mark is tarnished when its mark is semantically associated with a new mark that is used to sell sex-related products." *Id.* at 7. I do not agree. Although it is true that courts have concluded that a finding of tarnishment is likely when a mark's "likeness is placed in the context of sexual activity, obscenity, or illegal activity," *Hormel Foods Corp.*, 73 F.3d at 507, a court cannot ignore the showing of reputational harm that the statute requires.[4]

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[4] Nor can the court ignore the character of the senior mark when applying the majority's "rule." Victoria's Secret sells women's lingerie, and, as Victoria's Secret readily admits, its own mark is already associated with sex, albeit not with sex novelties. *See* ROA at 90 (Kriss Aff.) (noting that Victoria's Secret attempts to maintain a "sexy and playful" image); *see also, e.g.*, *id.* at 156–57 (depicting Victoria's Secret advertisements for "sexy little things" lingerie, which urge customers to "[b]e bad for goodness sake[] [i]n peek-a-boo's, bras and sexy Santa accessories," to "[g]ive flirty panties" as gifts, and participate in the store's "panty fantasy," which it describes as "Very racy. Very lacy"); *id.* at 209 (reproducing an article in Redbook magazine entitled "46 Things to Do to a Naked Man," which highlights Victoria's Secret's role in

Even assuming that "Victor's Little Secret" is plainly unwholesome when compared to Victoria's

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the sexual activities of one of the contributors).

In essence, the VICTORIA'S SECRET mark is not entirely separate from the sexual context within which the junior mark, "Victor's Little Secret," operates. This fact makes the instant case unlike many of the cases that the majority cites. *Cf. Williams-Sonoma, Inc. v. Friendfinder, Inc.*, No. C 06-6572 JSW (MEJ), 2007 WL 4973848, at *7 (N.D. Cal., Dec. 6, 2007) (likelihood of tarnishment where "marks for children and teenager furnishings" were associated "with pornographic websites"); *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 949 (N.D. Ill. 2002) (likelihood of dilution where the mark for cheese products was associated with websites that "depict[] graphic sexuality and nudity, as well as illustrations of drug use and drug paraphernalia"); *Mattell Inc. v. Internet Dimensions Inc.*, 55 U.S.P.Q.2d (BNA) 1620, 1627 (S.D.N.Y. 2000) (likelihood of tarnishment when the BARBIE mark was linked to adult-entertainment websites); *Polo Ralph Lauren L.P. v. Schuman*, 46 U.S.P.Q.2d (BNA) 1046, 1048 (S.D. Tex. 1998) (dilution likely where Polo Ralph Lauren's mark was associated with "an adult entertainment business"); *Toys "R" Us Inc. v. Akkaoui*, 40 U.S.P.Q.2d (BNA) 1836, 1838 (N.D. Cal. 1996) (likelihood of tarnishment where children's toy store was associated with "a line of sexual products"); *Hasbro, Inc. v. Internet Entm't Group Ltd.*, 40 U.S.P.Q.2d (BNA) 1479, 1480 (W.D. Wash. 1996) (dilution likely where the children's game Candyland was linked to "a sexually explicit Internet site"); *Am. Express Co. v. Vibra Approved Labs. Corp.*, 10 U.S.P.Q.2d (BNA) 2006, 2014 (S.D.N.Y. 1989) (tarnishment likely where an American Express charge card was linked to condoms and a sex-toy store); *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. (BNA) 124, 126, 135 (N.D. Ga. 1981) (likelihood of dilution where the Pillsbury dough figures were portrayed as "engaging in sexual intercourse and fellatio"); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 377 (S.D.N.Y. 1979), *affirmed by* 604 F.2d 200, 205 (2d Cir. 1979) (tarnishment likely where NFL cheerleaders were portrayed in a pornographic film).

Secret and that this case is completely analogous to those cases on which the majority relies, I still maintain that it is improper simply to assume likelihood of harm to the reputation of a senior mark when dealing with a junior mark of sexual character. As recounted above, there is *no* evidence connecting Victor's Little Secret's "unwholesome" or "tawdry" sexual character to the senior mark's reputation, and there is nothing in the language of the TDRA that would allow the court to forgive a party's obligation present proof as to an element of the tarnishment cause of action—i.e., the likelihood of harm to reputation.[5] *See* McCarthy on Trademarks § 24:115 ("Even after the 2006 revision when only a likelihood of dilution is required, . . . judges should demand persuasive evidence that dilution is likely to occur. Even the probability of dilution should be proven by evidence, not just by theoretical assumptions about what possibly could occur or might happen.").

With its conclusion that there is sufficient evidence of harm to the reputation of the VICTORIA'S SECRET mark based solely on the sexual nature of the junior mark, the majority sanctions an almost non-existent evidentiary standard and, in the process, essentially

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[5] The potential problem with simply assuming tarnishment when the junior mark places the senior mark in a sexual context becomes apparent if one considers a different case. What if the holder of a sex-related senior mark levied a claim of dilution by tarnishment against the holder of a junior mark that was similarly associated with sex? Would the court be willing to assume without further proof that despite their similar sexual origins the junior mark necessarily tarnishes the senior mark? Under the majority's reasoning, such an assumption would be appropriate. This cannot be the law.

eliminates the requirement that a plaintiff provide some semblance of proof of likelihood of reputational harm in order to prevail on a tarnishment claim, despite the plain language of 15 U.S.C. § 1125(c)(2). Because I believe that Victoria's Secret has not met its burden to show that "Victor's Little Secret" is likely to dilute the famous mark by way of tarnishment, I respectfully dissent.

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

No. 08-5793

[Filed May 19, 2010]

V SECRET CATALOGUE, INC., Plaintiff-Appellee,	)
VICTORIA'S SECRET STORES, INC., Plaintiff,	)
v.	)
VICTOR MOSELEY, dba Victor's Little Secret, fka Victor's Secret; CATHY MOSELEY, dba Victor's Little Secret, fka Victor's Secret, Defendants-Appellants.	)

Before: MERRITT, MOORE, and GIBBONS, Circuit Judges.

JUDGMENT

On Appeal from the United States District Court for the Western District of Kentucky at Louisville.

THIS CAUSE was heard on the record from the district court and was argued by counsel.

IN CONSIDERATION WHEREOF, it is ORDERED that the judgment of the District Court is AFFIRMED.

ENTERED BY ORDER OF THE COURT

Leonard Green, Clerk

APPENDIX B

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT LOUISVILLE

CIVIL ACTION NO. 3:98CV-395-S

[Filed May 21, 2008]

V SECRET CATALOGUE, INC., et al. PLAINTIFFS,	)
v.	)
VICTOR MOSELEY, and CATHY MOSELEY, d/b/a VICTOR'S LITTLE SECRET, DEFENDANTS	)

MEMORANDUM OPINION

This matter is before the court on cross-motions of the parties for summary judgment. This case has had a long and colorful past which will be briefly described.[1]

[1] A portion of this description is taken from the opinion of the United States Supreme Court in *Moseley v. V Secret Catalogue, Inc.*, 123 S.Ct. 1115, 1119-1122 (2003).

I. History of the Case

Victor and Cathy Moseley own and operate a retail store formerly named "Victor's Secret" and later "Victor's Little Secret."[2] The store was self-described in its advertising as selling "Intimate Lingerie," "Romantic Lighting," "Lycra Dresses," "Pagers," and "Adult Novelties/Gifts." It is located in Elizabethtown, Kentucky, a short distance from Louisville. An army colonel who saw the ad for the store opening was offended by what he perceived as an attempt to use Victoria's Secret's trademark to promote "unwholesome, tawdry merchandise." He sent a copy of the ad to the plaintiffs, the affiliated corporations of V Secret Catalogue, Inc., Victoria's Secret Stores, Inc., and Victoria's Secret Catalogue, Inc. (hereinafter collectively "V Secret").

At the time of the Supreme Court decision in 2003, V Secret operated over 750 Victoria's Secret stores, two of which were in Louisville.[3] In 1998, the year this action was filed, V Secret spent over $55 million in advertising the Victoria's Secret brand, described by V Secret as "moderately priced, high quality, attractively designed lingerie sold in a store setting designed to

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[2] The store has been operating under the name "Cathy's Little Secret" since February of 2000 when this court entered an order enjoining the defendants from using the marks "Victor's Secret" or "Victor's Little Secret" in connection with their business.

[3] Ten years has elapsed since proof was taken in this case. The figures have since changed. We recite the facts as they existed at the time this court issued its initial ruling. Recent statistical evidence has been offered by V Secret. It is addressed later in this opinion.

look like a wom[a]n's bedroom." V Secret distributed 400 million copies of the Victoria's Secret catalogue, or which 39,000 were distributed in Elizabethtown. In 1998 their sales exceeded $1.5 billion.

Counsel for V Secret wrote to the Moseleys requesting immediate discontinuance of the use of the name "Victor's Secret" and any variations thereof as the name was likely to cause confusion with the VICTORIA'S SECRET mark and was likely to dilute the distinctiveness of the mark. The Moseleys changed the name of the store to "Victor's Little Secret," a change which was unsatisfactory to V Secret which promptly filed suit.

The action alleged trademark infringement, unfair competition, dilution under the Federal Trademark Dilution Act ("FTDA"), common law trademark infringement and unfair competition. V Secret sought injunctive relief and damages in connection with these claims. After the close of discovery, the parties filed cross-motions for summary judgment. This court granted summary judgment in favor of the Moseleys on all claims except the FTDA claim.

The court granted summary judgment in favor of V Secret on the FTDA claim, finding that the marks were substantialiy similar for purposes of the dilution claim and that the Moseleys' marks had a tarnishing effect upon the VICTORIA'S SECRET mark. The court noted that "[i]ncluded in the inventory sold by the Moseleys, in addition to lingerie, are adult videos

as well as sex toys and other 'adult novelties.'[4] 'Courts have frequently enjoined the "tarnishment" of a mark through association with unsavory goods, persons, or services.' *Anheuser-Busch, Inc. v. Balducci Publications*, 28 F.3d 769, 777 (8th Cir. 1994)." February 9, 2000 Memorandum Opinion, p. 9 (DN 38). The court ordered the Moseleys to refrain from using the "Victor's Secret" and "Victor's Little Secret" marks.

The Moseleys appealed the decision on the FTDA claim to the United States Court of Appeals for the Sixth Circuit. The Sixth Circuit amplified this court's ruling on the claim, applying the newly announced standard for determining dilution in *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999) and affirmed. In its decision the Court of Appeals discussed two additional issues not addressed by this court. The court considered whether the mark was distinctive, and whether relief could be granted before dilution had actually occurred. The court held that the VICTORIA'S SECRET mark was distinctive and that actual dilution need not have occurred. In light of a split of authority on the question of actual dilution, the Moseleys sought and the United States Supreme Court granted certiorari to consider this issue.

On March 4, 2003, the Supreme Court held that actual dilution was required under the FTDA and reversed the judgment of the Court of Appeals, remanding the case for further proceedings consistent with the opinion. The Supreme Court entered its mandate on April 3, 2003, ordered costs to the

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[4] It appears that the inventory presently sold by Cathy's Little Secret is essentially the same as it was ten years ago.

Moseleys in the amount of $7,066.85, and sent the matter back to the Sixth Circuit. On April 9, 2003, the Moseleys filed a motion in the Court of Appeals to vacate the injunction. V Secret filed a response on April 25, 2003. The case sat pending thereafter in the Sixth Circuit for over four years without action. On July 26, 2007, the Sixth Circuit remanded the case to this court for further proceedings, stating that "[t]he decision of [the Sixth Circuit] having been reversed by the United States Supreme Court and the case having been remanded for further proceedings, the Court further remands this case to the district court for further proceedings consistent with the Supreme Court's decision in *Moseley d/b/a Victor's Little Secret v. V Secret Catalogue, Inc.*, 123 S.Ct. 1115 (2003)." July 26, 2007 Order (DN 49). The court scheduled a pretrial conference for August 23, 2007. The mandate was received from the Court of Appeals on September 26, 2007.

II. Enactment of the Trademark Dilution Revision Act

Between the time of the Supreme Court's remand to the Sixth Circuit in 2003 and the Sixth Circuit's remand to this court four years later, the United States Congress enacted the Trademark Dilution Revision Act of 2006 ("TDRA"), Pub.L.No. 109-312, 120 Stat. 1730 (2006)(codified at 15 U.S.C. § 1125(c)), effective October 6, 2006.[5] Of import in this case is

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[5] V Secret theorized that the Court of Appeals might have held the case for this extended period of time in order to afford Congress the opportunity to supersede the FTDA with this new legislation. There is no evidence in the record to support this suggestion, nor does it matter to this court. The court must address the issues

that the TDRA eliminated the requirement of actual dilution enunciated by the Supreme Court in the 2003 *Moseley* decision.[6]

The TDRA provides:

> Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

15 U.S.C. § 1125(c)(1).

In light of this provision, we are faced with an order of the Court of Appeals remanding the case to us to apply law which has been superseded. The Sixth

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presented at the time of remand. The court will not engage in evaluation of "what if" scenarios such as that posed by the Moseleys; that is, what the necessary outcome would have been had the Court of Appeals promptly remanded the case to this court.

[6] In fact, the *Moseley* case has been said to have been the catalyst for the enactment of the TDRA: "Congress amended the [Federal Trademark Dilution] Act principally to overrule *Moseley* and to require that only a *likelihood* of dilution need be proved. *See*, 15 U.S.C. § 1125(c)(1)(West Supp. 2007)." *Louis Vuitton Malletier v. Haute Diggity Dog, LLC*, 507 F.3d 252, 264, n. 2 (4th Cir. 2007)(emphasis in original).

Circuit has held that the law of the case doctrine is inapplicable where a subsequent contrary view of the law by controlling authority occurs. *United States v. Moored*, 38 F.3d 1419, 1421 (6th cir. 1994). We find that the *Moseley* "actual dilution" standard is thus no longer the law of the case.

The Moseleys contend that the case at bar is distinguishable from the cited cases addressing changes in the law inasmuch as this case had already gone up to the Supreme Court and had been remanded to the Court of Appeals before the new statutory enactment. They urge this court to draw a distinction between cases on their way up the appellate ladder from cases on their way down to the trial court. They cite no authority for drawing such a distinction and we find no logical reason to do so. While the Moseleys complain that they lost the benefit of their success on appeal, the same could be said of a case ascending through the appellate process which is thwarted by superseding legislation. In either case, a change in the law would potentially alter the landscape of the appeal.

III. Retroactivity

Retroactivity is the next issue which the court must address. Pertinent to this determination, the parties stipulated in October, 2007 to V Secret's withdrawal of all claims for monetary relief. The effective date of the new provisions was October 6, 2006. The TDRA does not explicitly state that the Act is to be applied retroactively. The Moseleys therefore urge that dilution claims pending prior to the effective date are governed by the FTDA rather than the new law, as

retroactive application is generally disfavored in the law.

The TDRA applies to the dilution claim herein however, as V Secret seeks only prospective injunctive relief. As stated in *American Steel Foundries v. Tri-City Central Trades*, 257 U.S. 184, 201, 42 S.Ct. 72, 66 L.Ed.2d 189 (1921), "relief by injunction operates *in futuro* and the right to it must be determined as of the time of the hearing." *See, Louis Vuitton Malletier v. Haute Diggity Dog, LLC*, 464 F.Supp.2d 495 (E.D.Va. 2006), *affm'd*, 507 F.3d 252 (4th Cir. 2007)(*citing, Landgraf v. USI Film Products, Inc.*, 511 U.S. 244, 114 S.Ct. 1483, 128 L.Ed.2d 229 (1994); applying TDRA to claim for injunctive relief); *Louis Vuitton Malletier v. Dooney & Bourke*, 500 F.Supp.2d 276, 282, n. 31 (S.D.N.Y. 2007)(applying TDRA to claim for injunctive relief); *Starbucks Corporation v. Wolfe's Borough Coffee, Inc.*, 477 F.3d 765 (2d Cir. 2007)(*citing, Havana Club Holding, S.A. v. Galleon, S.A.*, 203 F.3d 116, 129 (2d Cir. 2000; applying TDRA to claim for injunctive relief)); *Verilux, Inc. v. Hahn*, 2007 WL 2318819 (D.Conn. Aug. 10, 2007); *Dan-Foam A/S v. Brand Named Beds, LLC*, 500 F.Supp.2d 296 (S.D.N.Y. 2007)(applying TDRA to claim for injunctive relief).

The Sixth Circuit, while not having had the opportunity to address the application of the TDRA to dilution claims pending prior to the effective date of the Act, has approved the principle upon which we base our decision. In *BellSouth Telecommunications, Inc. v. Southeast Telephone, Inc.*, 462 F.3d 650, 661 (6th Cir. 2006) the court noted, quoting *Landgraf*, that a new statute that authorized or affected the propriety of prospective relief did not raise retroactivity

concerns. Significantly, the court went on to quote that "[a] statute does not operate 'retrospectively' merely because it...upsets expectations based in prior law." *Landgraf*, 114 S.Ct. at 1483:

> Even uncontroversially prospective statutes may unsettle expectations and impose burdens on past conduct: a new property tax or zoning regulation may upset the reasonable expectations that prompted those affected to acquire property...In other words, the fact that parties engage in conduct on the assumption that the law will allow them to act or to benefit in a certain manner is not sufficient reason to refuse to apply a new law that renders that assumption misplaced.

BellSouth, 462 F.3d at 662, *quoting*, *Landgraf*, 114 S.Ct. at 1483. *See also, Combs v. Commissioner of Social Security*, 459 F.3d 640 (6th Cir. 2006)(*quoting*, *Landgraf*, "A statute does not operate 'retrospectively' merely because it is applied in a case arising from conduct antedating the statute's enactment").

IV. Law of the Case

The next inquiry, then, is whether any of the factual findings remain viable on remand of the dilution claim. There were certain findings of fact and law that were either not appealed or were affirmed on appeal, such as the conclusions that the Victoria's Secret mark was "famous" and "distinctive."[7] The sole

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[7] This court did not render a finding addressing the distinctiveness of the mark.

issue on which certiorari was granted was the question of whether actual dilution had to be proven under the FTDA or whether a plaintiff need only show a likelihood of dilution of its mark. The findings of the Supreme Court upon which reversal was based were (1) that the Court of Appeals (and this court) incorrectly analyzed the claim under a "likelihood of dilution" rather than an "actual dilution" standard; and (2) that there was no evidence of actual dilution of the Victoria's Secret mark.

As the FTDA has now been superseded by the TDRA, and the new law applies to pending claims, the findings concerning the FTDA and actual dilution fall away. No other findings are rendered infirm by the TDRA. Indeed, the parties each seek to maintain the findings that the VICTORIA'S SECRET mark is "famous" and "distinctive" as the law of the case. The parties cite the same litany of cases in support of this proposition:

> "Issues decided at an early stage of litigation, either explicitly or by necessary inference from the disposition, constitute the law of the case." *Hanover Ins. Co. v. American Eng'g Co.*, 105 F.3d 306, 312 (6th Cir. 1997)(*quoting Coal Resources, Inc. Gulf & Western Indus., Inc.*, 865 F.2d 761, 766 (6th Cir. 1989)). Under the law of the case doctrine, "when a court decides upon a rule of law, that decision should continue to govern the same issues in subsequent stages in the same case," *Arizona v. California*, 460 U.S. 605, 618 (1983); *United States v. Rayborn*, 495 F.3d 328, 337 (6th Cir. 2007), and the court is "precluded from reexamining an issue previously decided by the same court, or a

> higher court in the same case." *Bowling v. Pfizer, Inc.*, 132 F.3d 1147, 1150 (6th Cir. 1998). Further, this doctrine precludes a party from challenging a decision from an earlier stage of the litigation that could have been challenged in a prior appeal, but where the party failed to do so. *United States v. Adesida*, 129 F.3d 846, 850 (6th Cir. 1997).

Pl. Cross-Motion for Sum. Judg., p. 20; Def. Response to Cross-Motion, p. 7.

V. Finding of "No Evidence of Dilution"

Before proceeding further, we address an argument raised by the Moseleys. They note that this court and the Court of Appeals both found that there was a likelihood of dilution of the VICTORIA'S SECRET mark. They contend that the Supreme Court's reversal was premised on a finding that there was a complete absence of evidence of dilution. The Moseleys urge that this court is bound by the Supreme Court's finding of "no evidence of dilution, " and therefore V Secret cannot succeed on its claim.

The Moseleys read out of context the finding concerning the evidence adduced on summary judgment. The Supreme Court's entire analysis was premised on the finding that a showing of actual dilution was required. The court first noted that "at least where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution." *Moseley*, 123 S.Ct. at 1124. The court then went on to state:

> The record in this case establishes that an army officer who saw the advertisement of the opening of a store named "Victor's Secret" did make the mental association with "Victoria's Secret," but it also shows that he did not therefore form any different impression of the store that his wife and daughter had patronized. There is a complete absence of any lessening of the capacity of the VICTORIA'S SECRET mark to identify and distinguish goods or services sold in Victoria's Secret stores or advertised in its catalogs. The officer was offended by the ad, but it did not change his conception of Victoria's Secret. His offense was directed entirely at petitioners, not at respondents...The evidence in the present record is not sufficient to support the summary judgment on the dilution count.

Moseley, 123 S.Ct. at 1125. The Supreme Court looked for evidence of actual dilution, considering the anecdotal and expert evidence, and found none. The court did not address the finding by the Court of Appeals of a likelihood of dilution wherein that court stated:

> [W]e must ask whether a consumer would link a store called "Victor's Little Secret" that sold women's lingerie with the more famous Victoria's Secret. We have little doubt that the average lingerie consumer would make just such an association. Assuming that the district court was correct in finding that the sophistication of lingerie consumers and the differences in the quality of the products marketed by the two stores would prevent

> actual confusion, this is a case that highlights the distinction between an infringement and a dilution claim. While no consumer is likely to go to the Moseleys' store expecting to find Victoria's Secret's famed Miracle Bra, consumers who hear the name "Victor's Little Secret" are likely automatically to think of the more famous store and link it to the Moseleys' adult-toy, gag gift, and lingerie shop. This, then, is a classic instance of dilution by tarnishing (associating the Victoria's Secret name with sex toys and lewd coffee mugs) and by blurring (linking the chain with a single, unauthorized establishment). Given this conclusion, it follows that Victoria's Secret would prevail in a dilution analysis, even without an exhaustive consideration of all ten of the *Nabisco* factors.

V Secret Catalogue, Inc. v. Moseley, 259 F.3d 464, 477 (6th Cir. 2001). However, the findings from both courts under the FTDA are so much flotsam and jetsam, having been jettisoned from the ship of the FTDA now sunk in the sea of new dilution law. Summary judgment was reversed. On remand, we have a dilution claim under the TDRA which must be analyzed without regard to the former findings.

VI. Analytical Framework

V Secret urges the court to repackage its former findings and/or those of the Court of Appeals, noting that "[w]ith the exception of the change that now predicates liability of dilution, the elements are *nearly identical* to those applied under the FTDA." Pl. Cross-Motion for Sum. Judg., p. 19 (emphasis added).

V Secret also cites *Levi Strauss & Co. v. Fox Hollow Apparel Group, LLC*, 2007 WL 1140648 (N.D.Cal. April 17, 2007) for the proposition that "[t]he [TDRA] revision changes the law to the pre-*Moseley* standard," a case which then went on to apply an analysis set forth in a 1998 case. V Secret then cites to a number of findings by this court and the Court of Appeals which it thus contends constitute the law of the case and should be restated as findings herein.

We reject the suggestion that since the elements under the TDRA are *nearly identical* to those of the FTDA, we should render the same findings as on the first summary judgment. There can be no application of the law of the case doctrine to factual findings rendered in accordance with a similar, but not identical, statute. Inasmuch as we are faced with a claim for prospective injunctive relief, we must evaluate V Secret's entitlement to relief under the new statute as the matter is presented to us today. *See, Haute Diggity Dog, Inc.*, 464 F.Supp.2d at 504 ("relief by injunction operates *in futuro* and the right to it must be determined as of the time of the hearing," *quoting, American Steel Foundries, supra.*). We will therefore apply a rigorous analysis from the ground up, applying the standard for dilution as it is set forth in the TDRA. While the outcome may be the same, we must employ the methodology of the applicable statute.

Additionally, we note herein that the unusual procedural posture of the case; that is, the fact that we are considering whether V Secret is entitled to prospective injunctive relief for use of marks which ceased eight years ago. This is because the law changed while there was already an injunction in place

prohibiting the use of the marks. We find, however, that a case or controversy exists with respect to V Secret's entitlement to injunctive relief inasmuch as the Moseleys seek a lifting of this injunction. No doubt, had remand to this court occurred prior to the enactment of the TDRA and the injunction lifted, had the Moseleys again used the "Victor's Secret" or "Victor's Little Secret" marks, V Secret would have been free to again seek injunctive relief under the new dilution statute. As the Moseleys wish to no longer be bound by the present injunction's prohibition, we must consider the propriety of injunctive relief going forward, under the new standard.

VII. The TDRA

The TDRA provides, in pertinent part:

> Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, or of actual economic injury.
>
> ...For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution

by blurring, the court may consider all relevant factors, including the following:

(I) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

...For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

15 U.S.C. § 1125(c).[8]

In order to establish entitlement to injunctive relief, V Secret must show that (1) its mark is famous;

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[8] We reject out of hand the argument of the Moseleys that on remand, the court's analysis must be limited to the issue of tarnishment, as that was the basis for this court's grant of summary judgment. The TDRA specifically provides for proof of dilution by blurring and tarnishment. As we are addressing the claim afresh under the new statutory provision, our analysis need not be limited to the tarnishment of V Secret's mark.

(2) its mark is distinctive; (3) the Moseleys began using the mark after V Secret's mark became famous; and (4) the Moseleys' use of their mark is likely to cause dilution of V Secret's mark by blurring or by tarnishment of the mark.

VIII. Summary Judgment

A party moving for summary judgment has the burden of showing that there are no genuine issues of fact and that the movant is entitled to summary judgment as a matter of law. *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 151-60, 90 S. Ct. 1598, 16 L. Ed. 2d 142 (1970); *Felix v. Young*, 536 F.2d 1126, 1134 (6th Cir. 1976). Not every factual dispute between the parties will prevent summary judgment. The disputed facts must be material. They must be facts which, under the substantive law governing the issue, might affect the outcome of the suit. *Anderson v. Liberty Lobby, Inc.*, 106 S. Ct. 2505, 2510 (1986). The dispute must also be genuine. The facts must be such that if they were proven at trial, a reasonable jury could return a verdict for the non-moving party. *Id.* at 2510. The disputed issue does not have to be resolved conclusively in favor of the non-moving party, but that party is required to present some significant probative evidence which makes it necessary to resolve the parties' differing versions of the dispute at trial. *First National Bank of Arizona v. Cities Service Co.*, 391 U.S. 253, 288-89 (1968). The evidence must be construed in a light most favorable to the party opposing the motion. *Bohn Aluminum & Brass Corp. v. Storm King Corp.*, 303 F.2d 425 (6th Cir. 1962). We find that there is no genuine issue of material fact to preclude summary judgment, and the issue of dilution can be decided on the present record.

The Moseleys have quoted Fed.R.Civ.P. 56(f) in their response to V Secret's motion for summary judgment. They have not, however, filed a Rule 56(f) affidavit, nor have they requested additional time for discovery. Rather they object wholesale to the affidavits filed by V Secret on the ground that on remand, the court's review should be limited to the closed record. They also urge that the court's analysis should only address dilution by tarnishment as that was the extent of this court's original ruling.

The summary judgment has been reversed and the court has determined that a new statute for obtaining prospective injunctive relief must be applied. As the analysis for likelihood of dilution under the TDRA contemplates both dilution by blurring and dilution by tarnishment, our assessment will address both theories. Further, as the court is required to determine V Secret's present entitlement to injunctive relief, it is appropriate for this court to consider updated evidence. As the Moseleys have not sought additional time for discovery under Rule 56(f), the court will consider the information. We will do so with due regard for the Moseleys' criticisms of the V Secret affidavits, as set out in their responsive brief.

IX. Application of the TDRA

1. Fame

In the case of *Dan-Foam, supra.*, the court held that the requirements for a "famous" mark "remain[] unchanged by the TDRA's reconfiguration of the fame factor." 500 F.Supp.2d at 307, n. 90. The TDRA states that in determining whether a mark possesses the requisite degree of recognition to be considered

famous, the court may consider (1) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties; (2) the amount, volume, and geographic extent of sales of good or services offered under the mark; (3) the extent of actual recognition of the mark; and (4) whether the mark was registered. 15 U.S.C. § 1125(c)(2)(A).

Without doubt, the VICTORIA'S SECRET mark is valuable. The Moseleys have not challenged the conclusion that the VICTORIA'S SECRET mark qualifies as a famous mark.

We note that the affidavit of Scott A. Kriss, Vice President of Victoria's Secret Stores Brand Management, Inc., indicates that today, over 1, 000 Victoria's Secret and Victoria's Secret Beauty retail stores operate throughout the United States. Victoria's Secret continues to sell women's lingerie, undergarments, nightwear, robes, caftans, kimonos, slippers, sachets, lingerie bags, hanging bags, candles, soaps, cosmetic brushes, atomizers, bath products, and fragrances. Since December 1998, V Secret has advertised, offered for sale, and sold Victoria's Secret goods on its internet website located at www.victoriassecret.com and it ships its goods around the world. In an April 2007 article in *Women's Wear Daily*, it was reported that Victoria's Secret ranked in the top ten women's apparel stores in a Scarsborough Research survey. In a September 2007 article in *Women's Wear Daily*, it was reported that Victoria's Secret ranked second by Nielsen/NetRatings in online apparel and accessories purchases among retailers. V Secret reports that in fiscal year 2006, Victoria's Secret retail store, catalog, and website sales

collectively exceeded $4.9 billion. V Secret continues to operate retail stores in Louisville, Kentucky at the Oxmoor Center, the Mall St. Matthews, the Jefferson Mall, and The Summit at Louisville. These locations are approximately sixty miles from the Moseleys' establishment. In 2006, over 280 million issues of the Victoria's Secret catalog were distributed in over 200 countries. V Secret spent approximately $454 million in advertising in 2006.

B. Distinctiveness

The TDRA requires but does not define "distinctiveness." The Act defines dilution by blurring as an association arising from the similarity between a mark and a famous mark which impairs the distinctiveness of the famous mark. "There can be no dilution of a mark's distinctive quality unless the mark is distinctive." *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 216 (2d Cir. 1999).

The Moseleys do not challenge the conclusion that the VICTORIA'S SECRET mark is distinctive. This factor is discussed in greater depth in the analysis of the likelihood of blurring of the distinctiveness of the VICTORIA'S SECRET mark.

C. Use

There appears to be no question concerning the timing of the Moseleys' use of the "Victor's Secret" and "Victor's Little Secret" marks. Again, the Moseleys do not dispute that they began using their marks well after V Secret's mark became famous.

The VICTORIA'S SECRET mark has been registered since 1981. The Moseleys did not open their store until 1998. As the declaration of Kriss evidences, by 1998 V Secret had over 750 retail stores and revenues exceeding $2 billion, the combined retail sales from the Kentucky retail locations alone exceeded $4 million, and over 400 million catalogs were distributed annually. Thus Victoria's Secret's fame was clearly established prior to the Moseleys' use of their marks.

D. Likelihood of Dilution

The TDRA establishes that dilution may be shown through evidence of either dilution by blurring or dilution by tarnishment.

1. Dilution by Blurring

The TDRA defines "dilution by blurring" as an association arising from the similarity between a mark and a famous mark that impairs the distinctiveness of the famous mark. 15 U.S.C. § 1125(a)(2)(B). The court has already found the VICTORIA'S SECRET mark to be distinctive. "Dilution by blurring occurs when consumers mistakenly associate a famous mark with goods and services of a junior mark, thereby diluting the power of the senior mark to identify and distinguish associated goods and services." *Ringling Bros. - Barnum & Bailey Combined Shows, Inc. v. Utah Division of Travel Dev.*, 955 F.Supp. 605, 615 (E.D.Va. 1997), *citing, Mead Data Cent., Inc. v. Toyota Motor Sales U.S.A., Inc.*, 875 F.2d 1026, 1031 (2d Cir. 1989)). The TDRA recites five particular factors as relevant in determining the likelihood of dilution by blurring. These factors will be addressed *seriatim*.

a. The degree of similarity between the marks

The marks in issue must be "identical" or "nearly identical" or "substantially similar." While the TDRA does not require that the marks be "identical" or "nearly identical," it does not appear that the Act eliminated this requirement previously established in the law. *Nike, Inc. v. Nikepal International, Inc.*, 2007 WL 2782030, *6 (E.D.Cal. 2007). The court previously addressed this factor, and the Court of Appeals approved the analysis. We readopt the finding here.

Significantly, the Moseleys originally named their store "Victor's Secret." This name is quite similar to V Secret's mark, "Victoria's Secret." The Moseleys subsequently changed the name to "Victor's Little Secret," but an examination of the signage[9] and advertising reveals that the alteration was very minor. The word "Little" is substantially smaller than the words "Victor's" and "Secret," so much as to make it an afterthought in the advertising. There are only two letters' difference between "Victor's Secret" and "Victoria's Secret." We find the two marks to be substantially similar for purposes of V Secret's dilution claim.

b. Distinctiveness of the Famous Mark

The Court of Appeals explained the significance of the "distinctiveness" analysis in its decision affirming the summary judgment of this court, but applying a modified test for dilution set out in *Nabisco, Inc., supra.* "Distinctiveness" is a factor under the TDRA.

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[9] which was utilized until this court enjoined the use in 2000,

This element is satisfied when the famous mark is distinctive either inherently or through acquired distinctiveness. 15 U.S.C. § 1125(c)(1). The "distinctiveness" element remains unchanged under the new statute.

The analysis by the Court of Appeals remains sound and stands unchallenged on summary judgment. Therefore this court will readopt the findings therein:

> ...[T]he *Kellogg / Nabisco* test requires a plaintiff to prove that its mark is not only famous, but also distinctive. Although in *Kellogg* we did not conduct a full dilution analysis, the Second Circuit provided an extended discussion of distinctiveness in the *Nabisco* decision, as follows:
>
> Distinctiveness in a mark is a characteristic quite different from fame. Distinctiveness is a crucial trademark concept, which places marks on a ladder reflecting their inherent strength or weakness. The degree of distinctiveness of a mark governs in part the breadth of the protection it can command. At the low end are generic words – words that name the species or object to which the mark applies. These are totally without distinctiveness and are ineligible for protection as marks because to give them protection would be to deprive competitors the right to refer to their products by name...Thus, no one can claim the exclusive right to use the mark "CAR" for a car. One rung up the ladder are "descriptive" marks – those that *describe* the product or its attributes or claims. These also

have little distinctiveness and accordingly are ineligible for protection unless they have acquired "secondary meaning" – that is, unless the consuming public has come to associate the mark with the products or services of its user...[T]he next higher rung belongs to "suggestive" marks; these fall in an in-between category...They do not name or describe the product for which they are used, but they suggest the qualities or claims of that product. They are more distinctive than descriptive marks, and thus are accorded trademark rights without need to demonstrate that consumers have come to associate them with the user of the mark...Nonetheless, because they seek to suggest qualities of the product, they possess a low level of distinctiveness. The [sic] are given less protection than is reserved for more distinctive marks – those that are "arbitrary" or "fanciful."...A mark is arbitrary or fanciful if there is no logical relationship whatsoever between the mark and the product on which it is used. However, even within the category of arbitrary or fanciful marks, there is still a substantial range of distinctiveness. Some marks may qualify as arbitrary because they have no logical relationship to the product, but nonetheless have a low level of distinctiveness because they are common. The most distinctive are marks that are entirely the product of the imagination and evoke no association with human experience that relate intrinsically to the product...The strongest protection of the trademark laws is reserved for these most highly distinctive marks. *Nabisco*, 191 F.3d at 215-16 (citations omitted).

> ...The requirement of distinctiveness is furthermore an important limitation. A mark that, notwithstanding its fame, has no distinctiveness is lacking the very attribute that the antidilution statute seeks to protect.
>
> ..."[T]he *degree* of distinctiveness of the senior mark has a considerable bearing on the question whether a junior use will have a diluting effect. *Nabisco*, 191 F.3d at 217.

V Secret Catalogue, Inc., 259 F.3d at 469-470.

Nothing in the new version of the antidilution statute has changed with regard to this element. After this discussion of the principles underlying the characteristic of distinctiveness, the Sixth Circuit held that

> In this case, for example, although the word "secret" may provoke some intrinsic association with prurient interests, it is not automatically linked in the ordinary human experience with lingerie. "Secret" is not particularly descriptive of bras and hosiery. Nor is there anything about the combination of the possessive "Victoria's" and "secret" that automatically conjures thoughts of women's underwear – except, of course, in the context of plaintiff's line of products. Hence, we conclude that the "Victoria's Secret" mark ranks with those that are "arbitrary and fanciful" and therefore deserving of a high level of trademark protection.

V Secret Catalogue, Inc. v. Moseley, 259 F.3d 464, 470 (6th Cir. 2001), *rev'd*, 120 S.Ct. 1115 (2003).

c. Substantially Exclusive Use of the Mark

As noted in *Nikpal*, *supra*, "The law does not require that use of a famous mark be absolutely exclusive, but merely 'substantially exclusive.'" *Nikepal*, 2007 WL 2782030 at *7, *citing, L.D. Kichler Co. v. Davoil Inc.*, 192 F.3d 1349, 1352 (Fed.Cir. 1999). V Secret asserts that it is engaged in substantially exclusive use of the VICTORIA'S SECRET mark. In support of this contention, Vice President Kriss avers that V Secret actively and aggressively polices its mark against unauthorized and dilutive uses by others. It pursues unauthorized uses through cease and desist letters, trademark oppositions, and litigation. Kriss Decl., ¶ 27. The Moseleys have not disputed this assertion. We therefore find the requisite substantially exclusive use of the mark.

d. Recognition of the Mark

The court finds that there can be little dispute over the degree of consumer recognition of the VICTORIA'S SECRET mark. The commercial success of the retail stores, catalog and internet venues offers a measure of the recognition of the brand. As attested in the Kriss declaration, V Secret prominently displays its mark in a variety of ways. All V Secret garments bear "Victoria's Secret" hang tags and garment labels. The stores prominently display the VICTORIA'S SECRET mark at the entrance to their storefronts. All merchandise is placed in a shopping bag or wrapped in tissue paper and placed in a gift box, both of which bear the VICTORIA'S SECRET mark. Victoria's Secret

is known worldwide, through the broadcast of the Victoria's Secret Fashion Show, catalog distribution, and the internet shopping venue. V Secret has also advertised and continues to advertises its mark in nationally circulated magazines such as *The New Yorker*, *Glamour*, *Vogue*, and *Harper's Bazaar*. In recent years its merchandise has been featured in various internationally circulated magazines such as *Allure*, *Cosmopolitan*, *Elle*, *Family Circle*, and *Glamour*, to name a few. Its merchandise has also been featured on various national television programs such as *CBS Early Show*, *Good Morning America*, *The Today Show*, *Entertainment Tonight*, and *Extra*. Kriss Decl., ¶¶ 12-14, 16, 22, 25-27. The court finds that the VICTORIA'S SECRET mark has a high level of consumer recognition.

e. Intent to Associate with Famous Mark

This court considered the evidence offered with respect to the Moseleys' intent in selecting "Victor's Secret" to create an association in the mind of the consumer with the VICTORIA'S SECRET mark. The court concluded that the explanation offered by the Moseleys was not credible, and determined that they indeed intended to foster such an association. The court held:

> The Moseleys assert that their selection of "Victor's Secret" for the name of their store was a complete coincidence. They claim that they had never seen a Victoria's Secret catalogue or a Victoria's Secret advertisement prior to opening their store. Their explanation for the selection of the name "Victor's Secret" is that Victor Moseley wanted to keep the opening of

> his store quiet while working for a previous employer – thus, it was "Victor's Secret."
>
> The notable similarity between the two marks alone is enough to call into question Defendants' explanation, but Victoria's Secret also submits further evidence to rebut the Moseleys' claims. Mr. Moseley testified in his deposition that he was unemployed prior to opening his store. This not only tends to refute his explanation for the name "Victor's Secret," but seriously damages his credibility.

V Secret Catalogue, Inc., 2000 WL 370525 at *4.

Neither the Sixth Circuit nor the Supreme Court addressed this finding. Upon revisiting the issue, the court sees no reason to deviate from this earlier analysis of the facts. The Moseleys' "Victor's Secret" name appears in all capital letters in an almost identical font to "Victoria's Secret," and is employed as the name for a store also selling lingerie.[10] This is too remarkable a coincidence for this court to accept the assertion that it was unknowing. We therefore readopt our earlier analysis and conclude that Moseleys intended to create an association with the VICTORIA'S SECRET mark.

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[10] We are not swayed by the assertion that lingerie sales comprise a small percentage of the Moseleys' business. The lingerie figures prominently in the Moseleys' advertising and store window displays.

f. Actual Association

This element encompasses more than one aspect of the blurring calculus. The Supreme Court found under the standard of "actual dilution" that there was evidence of an actual association of the "Victor's Secret" mark with the VICTORIA'S SECRET mark, through the testimony of the army colonel who reported the advertisement he had received to V Secret.

The Supreme Court noted, however, that blurring is not a necessary consequence of a mental association in the mind of the consumer between an accused mark and a famous mark. The court found that there was a "complete absence of evidence of any lessening of the capacity of the VICTORIA'S SECRET mark to identify and distinguish goods or services sold in Victoria's Secret stores or advertised in its catalogs." *Moseley*, 123 S.Ct. at 1125. The court noted that V Secret's expert did not address the impact of the Moseleys' use of their mark on the strength of the VICTORIA'S SECRET mark. Thus the court found that there was actual association between the marks, but no evidence of actual dilution of the famous mark. However, we are analyzing the evidence under the "likelihood of dilution" standard enunciated in the TDRA, and thus are unconcerned with the second aspect of the Supreme Court's analysis.

The Supreme Court noted that the army colonel who saw the advertisement for Victor's Secret's grand opening did readily make the mental association with "Victoria's Secret," but he was not actually misled as to the ownership of the Moseleys' store, nor was his esteem of V Secret's business diminished. Rather, he

was offended that the Moseleys would attempt to use a variant of the VICTORIA'S SECRET mark in such a fashion. Thus, we answer the question as to actual association as did the Supreme Court and conclude that there was proof, albeit one testimonial, of actual association.

The evidence here is quantitatively less impressive than the evidence in the *Nikepal* case in which there was a survey performed showing that over 87% of the people in Nikepal's customer pool associated "Nikepal" with "Nike." However, in light of the fact that Nikepal was not attempting to sell athletic shoes or gear, but rather sold services and products to analytical, environmental, and scientific laboratories. A survey of that particular customer base was, no doubt, necessary in or to establish actual association. By contrast, here we have a lingerie and adult products store calling itself "Victor's Secret," and an individual consumer who saw the accused mark and was so offended by the association to "Victoria's Secret" that he contacted the company to report the offending use. We find the evidence of actual association here no less compelling than in *Nikepal*.

g. Conclusion as to Blurring

"Blurring" is defined as an association arising from the similarity between a mark and a famous mark that impairs the distinctiveness of the famous mark. As already established, the VICTORIA'S SECRET mark is quite famous and strongly associated with V Secret's products. The evidence, which is essentially limited to the experience of the offended army colonel, militates against a finding that the distinctiveness of the VICTORIA'S SECRET mark would likely be impaired

by the use of the "Victor's Secret" or "Victor's Little Secret" marks. The evidence in the case established that a consumer, the army colonel, readily associated the Moseleys' mark with the VICTORIA'S SECRET mark, but did not link the store to the Victoria's Secret brand. There was no question in his mind that the Moseleys' offerings of intimate lingerie, sex toys, and adult videos were not V Secret merchandise. The choice of name and presentation by the Moseleys being just slightly different from the VICTORIA'S SECRET mark, conjured the association with the famous mark, but fell short of blurring its distinctiveness in this instance.

While it is possible that a blurring of that distinctiveness *could* occur in the minds of some consumers, we deal here with *likelihood* of blurring. We must address the evidence before us which militates against a finding of likelihood. The offended colonel wrote to V Secret not to say "stop selling sex toys," but rather to alert them that their mark was being associated with an establishment selling such items in derogation of their name. Thus we have evidence not of blurring, but of tarnishment.

So while we have found that the blurring factors, including intent on the part of the Moseleys to create the association with V Secret's mark, favor V Secret, the record evidence establishes that the distinctiveness of the VICTORIA'S SECRET mark was not blurred, at least in the instance of one consumer confronted with the use of the accused mark.

V Secret has not argued that satisfaction of the statutory factors trumps evidence of a *lack* of blurring of the famous mark's distinctiveness. We believe that

such an argument, if made, would be unsuccessful inasmuch as the statute states that the court "may consider all relevant factors," including the ones delineated. The weight to be given any of the considerations listed in the statute is unclear. However, the court notes that V Secret could have met the evidence militating against a finding of blurring, but chose not to do so. The Supreme Court clearly suggested an evidentiary deficiency, albeit applying an "actual dilution" standard, but V Secret did not seek to further develop evidence on remand.

V Secret contends that the Court of Appeals found dilution by blurring, and that finding should be adopted herein. However, we conclude that the lack of any factual analysis on the point by the appellate court is problematic and would lead to an erroneous result. The Court of Appeals stated that

> While no consumer is likely to go to the Moseleys' store expecting to find Victoria's Secret's famed Miracle Bra, consumers who hear the name "Victor's Little Secret" are likely automatically to think of the more famous store and link it to the Moseleys' adult-toy, gag gift, and lingerie shop. This, then, is a classic instance of dilution by tarnishing (associating the Victoria's Secret name with sex toys and lewd coffee mugs) and by blurring (linking the chain with a single, unauthorized establishment).

V Secret Catalogue, 259 F.3d at 477. The Supreme Court stated, however, that

> ...at least where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution. As the facts of that case demonstrate, such mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner, the statutory requirement for dilution under the FTDA. For even though Utah drivers may be reminded of the circus when they see a license plate referring to the "greatest *snow* on earth," it by no means follows that they will associate "the greatest show on earth" with skiing or snow sports, or associate it less strongly or exclusively with the circus. "Blurring is not a necessary consequence of mental association. (Nor, for that matter, is "tarnishing.")

Moseley, 123 S.Ct. at 1125.

As we are considering the matter afresh under the new statute's "likelihood of dilution standard," we conclude that the better course includes our thorough analysis of the facts, in the application of the new statute.

We conclude for the foregoing reasons that there has been no showing of a likelihood of dilution by blurring.

2. Dilution by Tarnishment

The TDRA states that "dilution by tarnishment" is an "association arising from the similarity between a

mark...and a famous mark that harms the reputation of the famous mark." 15 U.S.C. § 1125(c)(2)(C).

Dilution by tarnishment "generally arises when the plaintiff's trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner's product." *Diane Von Furstenberg Studio v. Snyder*, 2007 WL 2688184 (E.D.Va. Sept. 10, 2007) at *4, *quoting, Deere & Co. v. MTD Prods.*, 41 F.3d 39, 43 (2d Cir. 1994). As explained in *Deere & Co.*, "[i]n such situations, the trademark's reputation and commercial value might be diminished because the public will associate the lack of quality, or lack of prestige in the defendant's goods with the plaintiff's unrelated goods, or because the defendant's use reduces the trademark's reputation and standing in the eyes of consumers as a wholesome identifier of the owner's products and services." 41 F.3d at 43.

The evidence in this case supports a finding of a likelihood of dilution by tarnishment. The army colonel's offended reaction to the use of "Victor's Secret," what he clearly believed to be a bastardization of the VICTORIA'S SECRET mark, for the promotion of "unwholesome, tawdry merchandise," suggests the likelihood that the reputation and standing of the VICTORIA'S SECRET mark would be tarnished. In the words of the *Deere & Co.* case, the reputation of the famous mark would be "reduced" in the eyes of consumers as "a wholesome identifier" of the Victoria's Secret brand *Id.* V Secret has stated that it scrupulously avoids sexually explicit goods while cultivating a "sexy and playful" image. The line between "sexy and playful" and sexually explicit in the world of women's lingerie purveyors is one which V

Secret seeks to maintain in order to preserve its image as a "well-respected retailer of high-quality women's lingerie." Kriss Decl., ¶98. The use of the remarkably similar "Victor's Secret" or "Victor's Little Secret" in connection with the sale of intimate lingerie along with sex toys and adult videos tarnishes the reputation of the VICTORIA'S SECRET mark. Thus we find a likelihood of dilution of the mark, entitling V Secret to injunctive relief.

Conclusion

The parties agree that the record is complete and the court may decide the matter herein on the merits. Having found the TDRA to be applicable to the remanded dilution claim, and having found a likelihood of dilution the VICTORIA'S SECRET mark on an essentially undisputed factual record, summary judgment will be granted in favor of V Secret, summary judgment denied to the Moseleys, and a permanent injunction will be entered by separate order.

IT IS SO ORDERED.

May 19, 2008

[Seal]
/s/ Charles R. Simpson
Charles R. Simpson III, Judge
United States District Court

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT LOUISVILLE

CIVIL ACTION NO. 3:98CV-395-S

[Filed May 21, 2008]

V SECRET CATALOGUE, INC., et al.	)
PLAINTIFFS,	)
	)
v.	)
	)
VICTOR MOSELEY, and CATHY	)
MOSELEY, d/b/a VICTOR'S LITTLE	)
SECRET,	)
DEFENDANTS	)
	)

ORDER

Motions having been made and for the reasons set forth in the memorandum opinion entered this date and the court being otherwise sufficiently advised, **IT IS HEREBY ORDERED AND ADJUDGED** that:

1. The cross-motion of the plaintiffs, V Secret Catalogue, Inc., et al., for summary judgment (DN 63) is **GRANTED**;

2. The motion of the defendants, Victor Moseley and Cathy Moseley, d/b/a Victor's Little Secret, for summary judgment to vacate injunction (DN 62) is **DENIED**;

3. The defendants, Victor Moseley and Cathy Moseley, d/b/a Victor's Little Secret, are **HEREBY ENJOINED** from using the designation "Victor's Secret" or "Victor's Little Secret".or any mark similar thereto, or any reproduction, counterfeit, copy or colorable imitation of Plaintiff's VICTORIA'S SECRET mark.

IT IS SO ORDERED.

May 19, 2008

[Seal]
/s/ Charles R. Simpson
Charles R. Simpson III, Judge
United States District Court

APPENDIX C

UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

No. 08-5793

[Filed August 5, 2010]

V SECRET CATALOGUE, INC.,	)
	)
Plaintiff-Appellee,	)
	)
VICTORIA'S SECRET STORES, INC.,	)
	)
Plaintiff,	)
	)
v.	)
	)
VICTOR MOSELEY, DOING BUSINESS AS VICTOR'S LITTLE SECRET, FORMERLY KNOWN AS VICTOR'S SECRET, ET AL.,	)
	)
Defendants-Appellants.	)
	)

O R D E R

BEFORE: MERRITT, MOORE, and GIBBONS, Circuit Judges.

The court having received a petition for rehearing en banc, which was circulated to all active judges of this court, none of whom requested a vote on the suggestion for rehearing en banc, the petition for rehearing has been referred to the original panel.

The panel has further reviewed the petition for rehearing and concludes that the issues raised in the petition were fully considered upon the original submission and decision of the case. Accordingly, the petition is denied. Judge Moore would grant rehearing for the reasons stated in her dissent.

ENTERED BY ORDER OF THE COURT

Leonard Green, Clerk

APPENDIX D

UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

No. 00-5320

[Filed July 26, 2007]

V SECRET CATALOGUE, INC., VICTORIA'S SECRET STORES, INC., and VICTORIA'S SECRET DIRECT LLC,	)
Plaintiffs-Appellees,	)
v.	)
VICTOR MOSELEY and CATHY MOSELEY, d/b/a VICTOR'S LITTLE SECRET,	)
Defendants-Appellants.	)

ORDER

The decision of this Court having been reversed by the United States Supreme Court and the case having been remanded for further proceedings, the Court further remands this case to the district court for further proceedings consistent with the Supreme

Court's decision in *Moseley d/b/a Victor's Little Secret v. V Secret Catalogue, Inc.*, 123 S. Ct. 1115 (2003).

It is so ORDERED.

ENTERED BY ORDER OF THE COURT

/s/ Leonard Green
Leonard Green, Clerk

A TRUE COPY
Attest:
LEONARD GREEN,
By /s/
Deputy Clerk

APPENDIX E

PUBLIC LAW 109–312—OCT. 6, 2006 TRADEMARK DILUTION REVISION ACT OF 2006

Public Law 109–312
109th Congress

An Act

Oct. 6, 2006
[H.R. 683]

To amend the Trademark Act of 1946 with respect to dilution by blurring or tarnishment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Trademark
Dilution Revision Act of 2006.
15 USC 1051 note.

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the "Trademark Dilution Revision Act of 2006".

(b) REFERENCES.—Any reference in this Act to the Trademark Act of 1946 shall be a reference to the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions,

and for other purposes", approved July 5, 1946 (15 U.S.C. 1051 et seq.).

SEC. 2. DILUTION BY BLURRING; DILUTION BY TARNISHMENT.

Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended—

(1) by striking subsection (c) and inserting the following:

"(c) DILUTION BY BLURRING; DILUTION BY TARNISHMENT.—

"(1) INJUNCTIVE RELIEF.—Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

"(2) DEFINITIONS.—(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

"(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

"(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

"(iii) The extent of actual recognition of the mark.

"(iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

"(B) For purposes of paragraph (1), 'dilution by blurring' is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

"(i) The degree of similarity between the mark or trade name and the famous mark.

"(ii) The degree of inherent or acquired distinctiveness of the famous mark.

"(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

"(iv) The degree of recognition of the famous mark.

"(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

"(vi) Any actual association between the mark or trade name and the famous mark.

"(C) For purposes of paragraph (1), 'dilution by tarnishment' is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

"(3) EXCLUSIONS.—The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

"(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

"(i) advertising or promotion that permits consumers to compare goods or services; or

"(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

"(B) All forms of news reporting and news commentary.

"(C) Any noncommercial use of a mark.

"(4) BURDEN OF PROOF.—In a civil action for trade dress dilution under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that—

"(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

"(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

"(5) ADDITIONAL REMEDIES.—In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 34. The owner of the famous mark shall also be entitled to the remedies set forth

in sections 35(a) and 36, subject to the discretion of the court and the principles of equity if—

"(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after the date of enactment of the Trademark Dilution Revision Act of 2006; and

"(B) in a claim arising under this subsection—

"(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

"(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

"(6) OWNERSHIP OF VALID REGISTRATION A COMPLETE BAR TO ACTION.—The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this Act shall be a complete bar to an action against that person, with respect to that mark, that—

"(A)(i) is brought by another person under the common law or a statute of a State; and

"(ii) seeks to prevent dilution by blurring or dilution by tarnishment; or

"(B) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

"(7) SAVINGS CLAUSE.—Nothing in this subsection shall be construed to impair, modify, or

supersede the applicability of the patent laws of the United States."; and

(2) in subsection (d)(1)(B)(i)(IX), by striking "(c)(1) of section 43" and inserting "(c)".

SEC. 3. CONFORMING AMENDMENTS.

(a) MARKS REGISTRABLE ON THE PRINCIPAL REGISTER.—Section 2(f) of the Trademark Act of 1946 (15 U.S.C. 1052(f)) is amended—

(1) by striking the last two sentences; and

(2) by adding at the end the following: "A mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 43(c), may be refused registration only pursuant to a proceeding brought under section 13. A registration for a mark which would be likely to cause dilution by blurring or dilution by tarnishment under section 43(c), may be canceled pursuant to a proceeding brought under either section 14 or section 24.".

(b) OPPOSITION.—Section 13(a) of the Trademark Act of 1946 (15 U.S.C. 1063(a)) is amended in the first sentence by striking "as a result of dilution" and inserting "the registration of any mark which would be likely to cause dilution by blurring or dilution by tarnishment".

(c) CANCELLATION.—Section 14 of the Trade-mark Act of 1946 (15 U.S.C. 1064) is amended, in the matter preceding paragraph (1) by striking ", including as a result of dilution under section 43(c)," and inserting ", including as a result of a likelihood of dilution by blurring or dilution by tarnishment under section 43(c),".

(d) MARKS FOR THE SUPPLEMENTAL REGISTER.—The second sentence of section 24 of the Trademark Act of 1946 (15 U.S.C. 1092) is amended to read as follows:

"Whenever any person believes that such person is or will be damaged by the registration of a mark on the supplemental register—

"(1) for which the effective filing date is after the date on which such person's mark became famous and which would be likely to cause dilution by blurring or dilution by tarnishment under section 43(c); or

"(2) on grounds other than dilution by blurring or dilution by tarnishment, such person may at any time, upon payment of the prescribed fee and the filing of a petition stating the ground therefor, apply to the Director to cancel such registration.".

(e) DEFINITIONS.—Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by striking the definition relating to the term "dilution".

Approved October 6, 2006.

LEGISLATIVE HISTORY—H.R. 683:

HOUSE REPORTS: No. 109–23 (Comm. on the Judiciary).

CONGRESSIONAL RECORD:

Vol. 151 (2005): Apr. 19, considered and passed House.

Vol. 152 (2006): Mar. 8, considered and passed Senate, amended.

Sept. 25, House concurred in Senate amendment.

Supreme Court, U.S.
FILED
DEC - 6 2010
OFFICE OF THE CLERK

No. 10-604

IN THE

Supreme Court of the United States

VICTOR MOSELEY AND CATHY MOSELEY
D/B/A VICTOR'S SECRET, VICTOR'S LITTLE SECRET,

Petitioners,

v.

V SECRET CATALOGUE, INC.,
VICTORIA'S SECRET STORES, INC., AND
VICTORIA'S SECRET CATALOGUE, INC.,

Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

BRIEF IN OPPOSITION

CHRISTOPHER LANDAU, P.C.
KIRKLAND & ELLIS LLP
655 Fifteenth St., N.W.
Washington, DC 20005

FRANK J. COLUCCI
RICHARD P. JACOBSON
COLUCCI & UMANS
218 East 50th Street
New York, NY 10022

DALE M. CENDALI
Counsel of Record
CLAUDIA E. RAY
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, NY 10022
(212) 446-4800
dcendali@kirkland.com

December 6, 2010

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D.C. 20002

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CORPORATE DISCLOSURE STATEMENT

Pursuant to Rule 29.6 of the Rules of this Court, Victoria's Secret Stores Brand Management, Inc., as the successor in interest to respondents V Secret Catalogue, Inc., Victoria's Secret Stores, Inc., and Victoria's Secret Catalogue, Inc., states that it is a wholly owned subsidiary of a publicly held corporation, Limited Brands, Inc., and that no other publicly held corporation owns 10% or more of its stock.

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INTRODUCTION

Petitioners assert that this case "ended" when they prevailed in this Court in the first round of this litigation, and that the lower courts, acting out of "complete bias," thereafter wrongfully snatched away their victory. That assertion is incorrect and unfair. While this case was pending on remand from this Court, Congress amended the statutory language at issue here, and the lower courts simply applied the new statutory language to assess the propriety of prospective injunctive relief—as they are not only authorized but required to do.

Petitioners' efforts to conjure up a circuit conflict on the meaning of the new statute are equally unavailing. The Sixth Circuit simply recognized the commonsense (and long-established) principle that the association of a famous mark with sex-related products establishes a likelihood of dilution by tarnishment. Because the cases from other circuits on which petitioners rely do not involve sex-related products, there is no conflict—and even the dissenting opinion below did not suggest otherwise.

In essence, petitioners are seeking to refight a battle they lost in Congress, which amended the governing law while this case was pending on remand from this Court. It is simply not true, as petitioners assert, that "there is no evidence that Congress intended to overrule" this Court's decision in the first round of this litigation; to the contrary, there is ample evidence, including the new statutory language itself and the voluminous legislative history, that Congress intended exactly that. Accordingly, the Court should decline petitioners' invitation to interpret a relatively new statute that

the lower courts thus far have applied with consistency—especially in a case with a procedural history as unusual as this one, where petitioners do not even concede that the new statute applies in the first place.

RELEVANT STATUTORY PROVISIONS

The Lanham Act, as amended by the Trademark Dilution Revision Act of 2006, now provides in relevant part:

> Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

15 U.S.C. § 1125(c)(1).

When this case was previously before this Court, the Lanham Act, as amended by the Federal Trademark Dilution Act of 1995, provided in relevant part:

> The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after

> the mark has become famous and causes dilution of the distinctive quality of the mark
> ....

15 U.S.C. § 1125(c)(1) (1995).

COUNTERSTATEMENT OF THE CASE

A. Factual Background

Respondents are related companies that own and use the famous VICTORIA'S SECRET trademark for a chain of stores selling high-quality women's lingerie. Pet. App. 3a, 32-33a. Respondents cultivate a "sexy and playful" image, and "scrupulously avoid[]" crossing the line into "sexually explicit" territory "in order to preserve [that] image." Pet. App. 64-65a.

In 1998, respondents learned that petitioners had opened a retail store called "Victor's Secret" in Elizabethtown, Kentucky, near Louisville. Pet. App. 3a, 32a. The store sold "sexually explicit" merchandise, including "sex toys and adult videos." Pet. App. 3a, 64-65a. Respondents promptly contacted petitioners, stating, among other things, that the store's name was likely to dilute the VICTORIA'S SECRET mark. In response, petitioners renamed the store "Victor's Little Secret." Pet. App. 33a. The word "Little" was "substantially smaller" than the other two words, "so much as to make it an afterthought in the advertising." Pet. App. 52a.

B. Procedural History

After the parties were unable to resolve their ongoing differences over the name of petitioners' store, respondents brought this lawsuit alleging, among other things, a violation of the then-new

Federal Trademark Dilution Act of 1995 (FTDA), Pub. L. No. 104-98, 109 Stat. 985. In particular, respondents alleged that they were entitled to an injunction because petitioners' conduct "causes dilution of the distinctive quality" of the famous VICTORIA'S SECRET mark in violation of the FTDA, 15 U.S.C. § 1125(c)(1).

The district court (Simpson, C.J., W.D. Ky.) granted summary judgment to respondents on their dilution claim, and entered an injunction barring petitioners from calling their store "Victor's Secret" or "Victor's Little Secret." Pet. App. 3a, 34a. Since that time, the store has operated under the name "Cathy's Little Secret." Pet. App. 3-4a, 32a n.2.

The Sixth Circuit affirmed, holding that the FTDA "allow[s] inference of likely harm to the senior mark instead of requiring actual proof," and that this case presents "a classic instance of dilution by tarnishing (associating the Victoria's Secret name with sex toys and lewd coffee mugs)." *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 476-77 (6th Cir. 2001). In so holding, the Sixth Circuit expressly rejected the Fourth Circuit's conclusion that an FTDA plaintiff must prove "actual economic harm" to a famous mark to prevail. *See id.* at 472-76 (rejecting *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev't*, 170 F.3d 449, 461 (4th Cir. 1999)).

This Court granted certiorari to resolve the conflict, and reversed the Sixth Circuit. *See Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003). In particular, this Court held that the FTDA's text "unambiguously requires a showing of *actual* dilution, rather than a *likelihood* of dilution," *id.* at

433 (emphasis added), and that under this standard "the evidence in the present record is not sufficient to support the summary judgment on the dilution count," *id.* at 434. The Court acknowledged that its interpretation of the statute could give rise to substantial "difficulties of proof" for dilution plaintiffs, but stated that such difficulties "are not an acceptable reason for dispensing with proof of an essential element of a statutory violation." *Id.* This Court reversed the judgment and remanded the case "for further proceedings consistent with this opinion." *Id.*

Justice Kennedy concurred to emphasize that "[t]he Court's opinion does not foreclose injunctive relief if respondents on remand present sufficient evidence of either blurring or tarnishment." *Id.* at 436 (concurring opinion); *see also id.* at 435 ("I agree with the Court that the evidentiary showing required by the Court can be clarified on remand.").

Although this Court promptly remanded the case, the Sixth Circuit did not issue a mandate returning the case to the district court for more than four years, until July 2007. The court of appeals never explained this delay, and the district court refused to speculate on this score. *See* Pet. App. 35-36a n.5.

While the case remained on the Sixth Circuit's docket, Congress enacted the Trademark Dilution Revision Act of 2006 (TDRA), Pub. L. No. 109-312, 120 Stat. 1730, which amended the FTDA. Most significantly, the new statute abrogated this Court's decision in the first round of this litigation by expressly authorizing the owner of a famous mark to obtain an injunction against the mark of a junior user "that is *likely* to cause dilution by blurring or

dilution by tarnishment of the famous mark." 15 U.S.C. § 1125(c)(1) (emphasis added). Thus, by the time the Sixth Circuit remanded the case to the district court, Congress had amended the statute. One other notable development was respondents' withdrawal, by stipulation, of all claims for monetary relief, thereby leaving an injunction as the sole remedy. Pet. App. 37a.

In a lengthy and thorough opinion, the district court on remand applied the TDRA and granted summary judgment to respondents. *Id.* at 31-65a. As a threshold matter, the court rejected petitioners' arguments that application of the new statute to assess the propriety of prospective injunctive relief would (1) be impermissibly "retroactive," *id.* at 37-39a, (2) violate the law-of-the-case doctrine, *id.* at 39-41a, and (3) contravene this Court's decision and "findings" in the first round of this litigation, *id.* at 41-43a. On the merits, the court held that respondents had not established a likelihood of dilution by blurring, *id.* at 51-63a, but had established a likelihood of dilution by tarnishment, *id.* at 63-65a.

Following petitioners' appeal, a panel of the Sixth Circuit (entirely different from the panel that had decided the case in the first round of litigation) affirmed. *See id.* at 1-28a. Like the district court, the Sixth Circuit had little trouble dispensing with petitioners' arguments that the application of the new statute in this case would be impermissibly retroactive and would violate the law-of-the-case doctrine. *See id.* at 14-16a. The court held that respondents had established a likelihood of dilution by tarnishment by showing that petitioners

associated a famous mark with the sale of "lewd" and explicit sex-related merchandise. *See id.* at 10-14a. In particular, the court noted "a clearly emerging consensus in the case law" that the unauthorized association of a famous mark with lewd sexual content defiles the famous mark, which, in turn, diminishes its commercial value and goodwill. *See id.* at 10a. The court noted that "[t]here have been at least eight federal cases in six jurisdictions that conclude that a famous mark is tarnished when its mark is semantically associated with a new mark that is used to sell sex-related products," *id.* at 11a (citing cases), and "[w]e find no exceptions in the case law that allow such a new mark associated with sex to stand," *id.* The court synthesized the law "to create a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex-related products is likely to tarnish a famous mark if there is a clear semantic association between the two." *Id.* at 12a. Judge Gibbons concurred to raise the "small quibble" that she preferred to use the term "inference" rather than "rebuttable presumption" in this context, but otherwise agreed with the ruling. *Id.* at 17a. Judge Moore dissented, concluding that the evidence in this case was insufficient to establish a likelihood of dilution by tarnishment. *See id.* at 19-28a.

Petitioners sought rehearing *en banc*, but no judge requested a vote on the petition, and the panel concluded that its opinion had fully considered all the issues raised in the petition. *See id.* at 68-69a. Petitioners now seek relief from this Court.

REASON FOR DENYING THE WRIT

The Decision Below Does Not Warrant This Court's Review.

Petitioners advance a plethora of arguments why this Court should grant review, but those arguments basically fall into two categories: (1) the Sixth Circuit erred by holding that the TDRA governs this case, and (2) even if the TDRA governs, the Sixth Circuit misapplied the statute. Neither argument has merit, and—more to the point here—neither argument remotely warrants this Court's review. Each argument is considered in turn below.

A. The TDRA Governs This Case.

At the broadest level, petitioners contend that this case "ended after the decision of this Court in 2003," Pet. 23, so that the case was no longer "pending" when Congress enacted the TDRA in 2006, *see id.* at 14-17; *see also id.* at 15 ("[T]his case was resolved, settled, and decided [by this Court's 2003 decision]."); *id.* at 16 (asserting that "[t]he decision of the Supreme Court was final" and subject to preclusive effect). Accordingly, petitioners argue, neither Congress nor the lower courts had any authority to change the result in this case. That argument is manifestly incorrect.

In the first round of this litigation, this Court simply held that the lower courts had applied an erroneously low burden of proof under the FTDA, and that, under the proper legal standard, the evidence did not warrant summary judgment in respondents' favor. *See* 537 U.S. at 432-34. The Court had no occasion to, and did not, direct the entry of final judgment in petitioners' favor. Indeed,

any such disposition would have been inappropriate: the only issue before the Court was whether *respondents* were entitled to summary judgment, not whether *petitioners* were entitled to summary judgment. This Court's remand contemplated further proceedings under the proper legal standard, and did not finally resolve the case either way. Justice Kennedy's concurrence makes this point explicitly, noting that "the evidentiary showing required by the Court can be clarified on remand," and that "[t]he Court's opinion does not foreclose injunctive relief if respondents on remand present sufficient evidence of either blurring or tarnishment." *Id.* at 435-36 (concurring opinion).

Because no final judgment had been entered, this case remained "pending" at the time of the TDRA's enactment in 2006. As petitioners themselves recognize, it is only *after* a judicial decision has "achieved finality" that it becomes "the last word of the judicial department with regard to a particular case or controversy." Pet. 13. That straightforward point readily distinguishes this case from *Plaut v. Spendthrift Farm, Inc.*, 514 U.S. 211, 240 (1995), in which this Court held that Congress had no constitutional power to reopen *final* judgments by retroactive legislation.

Indeed, this case does not even present a retroactivity issue. As the Sixth Circuit recognized, "'When [an] intervening statute authorizes or affects the propriety of *prospective* relief, application of the new provision [to a pending case] is not retroactive.'" Pet. App. 16a (quoting *Landgraf v. USI Film Prods., Inc.*, 511 U.S. 244, 273-74 (1994)) (emphasis added); *see also Landgraf*, 511 U.S. at 293 (Scalia, J.,

concurring in judgment) ("Since the purpose of prospective relief is to affect the future rather than remedy the past, the relevant time for judging its retroactivity is the very moment at which it is ordered."). Thus, it was "unquestionably proper" for the lower courts here to apply the TDRA to assess the propriety of prospective injunctive relief. *Id.* at 273. Contrary to petitioners' argument, Pet. 19, respondents did not need to file a new claim under the TDRA; rather, the statute as amended automatically applied.

It also follows from the foregoing that the lower courts did not violate the law-of-the-case doctrine by applying the TDRA in this case. That doctrine does not apply where, as here, there is "a subsequent contrary view of the law by the controlling authority." *United States v. Moored*, 38 F.3d 1419, 1421 (6th Cir. 1994); *see also Hanover Ins. Co. v. American Eng'g Co.*, 105 F.3d 306, 312 (6th Cir. 1997). A "subsequent contrary view of the law by the controlling authority" includes new legislation amending a federal statute. *See, e.g., United States v. Rayborn*, 495 F.3d 328, 337 (6th Cir. 2007). Because respondents' claims for prospective injunctive relief are governed by the TDRA, decisions made under the FTDA are not binding. Indeed, the TDRA adopted the very standard—*likelihood* of dilution—that this Court found lacking in the FTDA. *See* 537 U.S. at 433 ("The text unambiguously requires a showing of *actual* dilution, rather than a *likelihood* of dilution.") (emphasis added).

Petitioners' assertion that "[o]n remand the Supreme Court gave no direction to retry or litigate this case over," Pet. 16, misses the point: this Court's

only directive was for the lower courts to proceed "in a manner consistent with this opinion," 537 U.S. at 434, not to enter judgment for petitioners.

B. The Sixth Circuit Properly Applied The TDRA.

Turning to the merits of the TDRA issue, petitioners allege that the Sixth Circuit erred, and created a circuit conflict, by "read[ing] into [the TDRA] a rebuttable presumption, or a strong inference, shifting to the owner of a new mark, the burden of coming forward with evidence that there is no likelihood or probability of tarnishment." Pet. 6. In particular, petitioners assert, this "subjective" approach conflicts with the "objective" approach taken by the Second, Fourth, and Seventh Circuits. Pet. 22; *see also id.* at 8 (citing *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009); *AutoZone, Inc. v. Strick*, 543 F.3d 923 (7th Cir. 2008); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007)). Once again, petitioners are mistaken.

Petitioners' argument is based on a distortion of the decision below. Contrary to petitioners' assertion, the Sixth Circuit did not hold that a rebuttable presumption or strong inference of tarnishment arises in *all* circumstances when a junior mark is associated with a famous senior mark. Rather, the court held only that such a presumption or inference arises where the junior mark itself is associated with sexually explicit products. *See* Pet. App. 5a ("We conclude that the new Act creates a kind of rebuttable presumption, or at least a very strong inference, that a new mark *used to sell sex related products* is likely to tarnish a famous mark if

there is a clear semantic association between the two.") (emphasis added); *id.* at 11a ("[A] famous mark is tarnished when its mark is semantically associated with a new mark *that is used to sell sex-related products*.") (emphasis added); *id.* at 12a ("[A] new mark *used to sell sex-related products* is likely to tarnish a famous mark if there is a clear semantic association between the two.") (emphasis added).

That approach is based on the commonsense proposition, long recognized by state dilution law, that "the creation of an 'association' between a famous mark and lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling power." Pet. App. 10a. To be sure, that proposition may not hold true in every case, which is why the presumption or inference is rebuttable. But that presumption or inference suffices to establish a *prima facie* likelihood of tarnishment in this narrow context, which the owner of the junior mark may then seek to rebut. *Cf. Texas Dep't of Cmty. Affairs v. Burdine*, 450 U.S. 248, 254 n.7 (1981) ("The phrase '*prima facie* case' ... may denote the establishment of a legally mandatory, rebuttable presumption.").

Petitioners err by asserting that the decision below conflicts with decisions from the Second Circuit (*Starbucks*), Fourth Circuit (*Louis Vuitton*), and Seventh Circuit (*AutoZone*), *see* Pet. 8, because in none of those cases was the junior mark associated with sex-related products. Not only is there no conflict among the circuits, but the decision below is entirely consistent with the body of law that has evolved regarding dilution by tarnishment in the context of sexually explicit uses.

Indeed, as the Sixth Circuit pointed out (and the dissenting opinion did not contest), every federal case to have addressed the issue (either under federal or state law, or both) has concluded that "a famous mark is tarnished when its mark is semantically associated with a new mark that is used to sell sex-related products." Pet. App. 11-12a (citing *Pfizer, Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009); *Williams-Sonoma, Inc. v. Friendfinder, Inc.*, No. C 06-6572, 2007 WL 4973848 (N.D. Cal. Dec. 6, 2007); *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 949-50 (N.D. Ill. 2002); *Victoria's Cyber Secret Ltd. P'ship v. V Secret Catalogue, Inc.*, 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001); *Mattel, Inc. v. Internet Dimensions, Inc.*, 55 U.S.P.Q.2d 1620, 1627 (S.D.N.Y. 2000); *Polo Ralph Lauren L.P. v. Schuman*, 46 U.S.P.Q.2d 1046, 1048 (S.D. Tex. 1998); *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. 124, 135 (N.D. Ga. 1981); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 377 (S.D.N.Y. 1979)); *see also Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 507 (2d Cir. 1996) ("[A] mark is tarnished when its likeness is placed in the context of sexual activity, obscenity, or illegal activity."); *Online Partners.com Inc. v. Atlanticnet Media Corp.*, No. 98-4146, 2000 WL 101242, *9 (N.D. Cal. Jan. 20, 2000) ("Numerous courts have held that where a defendant uses a famous or well-known mark in connection with pornographic or sexually oriented products and services inconsistent with the image maintained by the trademark owner, the mark has been tarnished.").

The dissenting opinion below tried to distinguish these authorities in a footnote, asserting that "the

VICTORIA'S SECRET mark is not entirely separate from the sexual context within which the junior mark, 'Victor's Little Secret,' operates." Pet. App. 25-26a n.4 (Moore, J., dissenting). In essence, the dissent took the position (which petitioners echo here, *see* Pet. 20) that the VICTORIA'S SECRET mark is tarnishment-proof, at least insofar as anything sexual is concerned, because it "is already associated with sex," Pet. App. 25-26a n.4. But there is a world of difference between the sexy but wholesome and upscale VICTORIA'S SECRET mark, on the one hand, and the lewd and tawdry world of sex toys and pornographic videos, just as there is a world of difference between *Cosmopolitan* and *Hustler* magazines. Indeed, the millions of American women who purchase and wear Victoria's Secret lingerie, pajamas, fashion apparel and fashion accessories would be surprised and offended by equating the two. Tellingly, the dissent identified no authority to support its suggestion that a "sexy and playful" image cannot be tarnished by association with explicit or graphic sex; to the contrary, that suggestion cannot be reconciled with the existing case law cited above.

Petitioners also err by arguing that that the result in this case should be the same under the TDRA as under the FTDA, and that "[t]here is no evidence that Congress intended to overrule" this Court's prior decision in this case. Pet. 14. As noted above, the question presented in the first round of this litigation was whether an FTDA plaintiff must establish *actual* dilution or merely a *likelihood* of dilution. *See* 537 U.S. at 421-22 ("The question we granted certiorari to decide is whether objective proof of actual injury to the economic value of a famous

mark (as opposed to a presumption of harm arising from a subjective 'likelihood of dilution' standard) is a requisite for relief under the FTDA."). The Court interpreted the FTDA to require proof of actual dilution, and Congress enacted the TDRA to overturn that result. *See* Pet. App. 4a ("The new Act was expressly intended to overrule the Supreme Court interpretation of the old Act in this very same case."); *Louis Vuitton*, 507 F.3d at 264 n.2 ("Congress amended the Act principally to overrule *Moseley* and to require that only a likelihood of dilution need be proved."). The legislative history only confirms what the text of the new statute makes clear: Congress enacted the TDRA out of concern that this Court's interpretation of the FTDA "'creates an undue burden for trademark owners who contest diluting uses.'" Pet. App. 9a (quoting U.S. Code Cong. & Adm. News, 109th Cong. 2d Sess. 2006, Vol. 4, p. 1091).

The new statutory standard of "likelihood" of dilution put federal law in sync with established state law. *See, e.g.*, *Moseley*, 537 U.S. at 432. The Sixth Circuit simply followed such established law in concluding that respondents had shown a likelihood of dilution by tarnishment by showing an association between the name of petitioners' sex shop and the famous VICTORIA'S SECRET mark. *See* Pet. App. 10-12a. Petitioners tellingly fail to identify any authority that conflicts with that unremarkable conclusion. *Cf.* Pet. App. 11a ("We find no exceptions in the case law that allow such a new mark associated with sex to stand."). And certainly, this case—in which petitioners contest the applicability of the new statute—does not present an appropriate

vehicle for this Court to address that statute for the first time.

* * *

Petitioners' remaining arguments, if anything, fall even further from the mark. Petitioners complain that "both the District and Circuit Court of appeals are clearly prejudiced" against them. Pet. 22. But that complaint is baseless: disagreement with the lower courts' decisions hardly establishes "complete bias," *id.* at 17, by the various federal judges who have reviewed this case. In any event, this inherently case- and fact-specific argument does not remotely warrant this Court's review.

Similarly, petitioners argue that the name "Victor's Little Secret" is "totally different" than the famous VICTORIA'S SECRET mark. *Id.* at 21. That argument is, to put it mildly, implausible. Indeed, no judge in the lengthy history of this litigation has ever questioned that association, and even the dissenting opinion below acknowledged that "there is a *clear* semantic association between the two marks." Pet. App. 19a (Moore, J., dissenting) (emphasis added). In any event, this entirely case- and fact-specific argument does not remotely warrant this Court's review.

At bottom, petitioners have had their day in court at every level of the federal judiciary. It is time to bring this drawn-out litigation to a close.

CONCLUSION

For the foregoing reasons, this Court should deny the petition for writ of certiorari.

Respectfully submitted,

CHRISTOPHER LANDAU, P.C.
KIRKLAND & ELLIS LLP
655 Fifteenth St., N.W.
Washington, DC 20005

FRANK J. COLUCCI
RICHARD P. JACOBSON
COLUCCI & UMANS
218 East 50th Street
New York, NY 10022

DALE M. CENDALI
Counsel of Record
CLAUDIA E. RAY
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, NY 10022
(212) 446-4800
dcendali@kirkland.com

December 6, 2010

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(3)

Supreme Court, U.S.
FILED
DEC 21 2010
OFFICE OF THE CLERK

No. 10-604

In the
Supreme Court of the United States

VICTOR MOSELEY and CATHY MOSELEY
d/b/a VICTOR'S SECRET, VICTOR'S LITTLE SECRET,
Petitioners,

v.

V SECRET CATALOGUE, INC.,
VICTORIA'S SECRET STORES, INC.,
and VICTORIA'S SECRET CATALOGUE, INC.,
Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

PETITIONERS' REPLY BRIEF

VICTOR D. MOSELEY
CATHY MOSELEY
200 SYCAMORE ST. #173
ELIZABETHTOWN, KY 42701
(270) 737-5231
vmoseley@windstream.net

Petitioners Pro Se

December 21, 2010

Becker Gallagher · Cincinnati, OH · Washington, D.C. · 800.890.5001

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ARGUMENT

1. Respondents' Brief In Opposition Cries Unfair And Amplifies The Conflict Among The Courts Of Appeals.

One can only speculate on why the Circuit Court held this case in informal abeyance for four years after receiving the mandate of this Court in April of 2003. Respondents planted the seed that the Court of Appeals might have held this case for this extended period of time in order to afford Congress the opportunity to supersede the FTDA with new legislation to overrule the decision of this Court. See Pet. App. 35a-36a n.5. Respondents also assert that Petitioners are seeking to refight a battle they lost in Congress. *See* Brief In Opp., Intro. The implication of those statements suggest a strong inference that Respondents used their vast amount of resources to influence Congress and the Courts. The District and Circuit Courts took no time to render decisions in favor of Respondents, but the Circuit Court waited four years until the TDRA was passed to write a minimal remand to the District Court ignoring Petitioners motions for relief. Fairness and equity demanded that the Law of the Case Doctrine be applied and summary judgment should have been entered for the Petitioner, *reversing* the summary judgment granted to respondents. (emphasis added.) The failure of the Circuit Court to effectuate its judicial responsibility in a timely manner should not penalize Petitioners by rewarding Respondents with Petitioners adjudication.

Respondents argue that there is no conflict among the circuits on the meaning of the new statute, because the cases on which Petitioners rely do not involve sex-

related products. *See* Brief In Opp., Intro. Respondents would lead this Court to believe that the TDRA has two standards, one for those that sell sex-related products and one for those that do not. This is simply not true. There is no way to construe the plain language of the TDRA into two different standards. This is simply wishful thinking of Respondents. Respondents argue that the objective approach taken by the Second, Fourth, and Seventh Circuits are consistent with that of the subjective approach of the Sixth Circuit. *See* Brief In Opp., 11b-13b. One requires proof from the plaintiff that the junior "mark harms the reputation of the famous mark" as required by the TDRA. The other requires the defendant (only if they sell sex-related products) the burden of coming forward with evidence that the junior mark will not harm the reputation of the famous mark, which is nowhere in the TDRA. The conflict could not be more obvious and deserving of this Court's attention.

2. **The District Court, Circuit Court And Respondents Ignore Relevant Statutory Requirements And Provisions.**

The Lanham Act, as amended by the Trademark Dilution Revision Act of 2006, now provides in relevant part:

> Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment

> of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

15 U.S.C. § 1125(c)(1).

Respondents could not possibly have a claim under the TDRA, as the very first requirement of this statutory provision requires that the junior mark "commences use" of a mark or trade name in commerce. Petitioners have not used the Victor's Secret or Victor's Little Secret names after the passage of the TDRA. In simple language, the Petitioners have not violated the TDRA.

Respondents claim that the new statute abrogated this Court's decision in the first round of this litigation by expressly authorizing the owner of a famous mark to obtain an injunction against the mark of a junior user that is likely to cause dilution by blurring or dilution by tarnishment of a famous mark. *See* Brief In Opp., 5. Respondent leaves out a very important part of the statutory language. For purposes of paragraph (1), 'dilution by tarnishment' is association arising from the similarity between a mark or trade name and a famous mark *that harms the reputation of the famous mark*. 15 U.S.C. § 1125(c)(2)(C) (emphasis added). The Courts and Respondent seem to look over this important part of this provision. Congress did not add "likely to harm" to this paragraph. Echoing that harm to the famous mark is a prerequisite to tarnishment by dilution and must be proven is Section 43 (15 U.S.C. 1125)(c)(5)(B)(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark. A famous mark is *only* (emphasis added)

entitled to an injunction if the junior mark harms the reputation of the famous mark. The mere association between the two marks, regardless of the merchandise sold, does not constitute dilution. Respondents in the first round of this litigation failed to produce any evidence of tarnishment. This Court decided that there was a complete absence of evidence. On remand Respondents submitted no new evidence that Petitioners' use of Victor's Secret or Victor's Little Secret harmed their reputation. Again, as in round one, there is a complete absence of evidence. The Court's and Respondents' personal moralistic values as to what is sex-related and what isn't is quite amazing. Respondents' sexy lingerie, peek-a boo-panties, Booty Parlor Seduction kit (containing Add Magic lubricant), and Tease Party Seduction kit are every bit as sex-related as a personal massager sold at Petitioners' store. Without a developed record, Petitioners' goods are no more tawdry, cheap, salacious, or unwholesome than Respondents'. Like it or not, Petitioners and Respondents are both purveyors of sex-related products. The difference being, no one has ever complained about any of Petitioners' advertising as being pornographic see Pet. App. 20 n3.

3. The Eight Federal Cases That The Circuit Court And Respondents Rely On Are Dissimilar From This Case.

In all eight cases that the Circuit Court and Respondents quote, the defendant used the plaintiff's actual mark. *See* Brief in Opp. In *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009) where the defendants branded a missile with Pfizer's Viagra mark. Not surprisingly this case was not decided with a rebuttable presumption. The only case that had a

slight variance is *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 949-50 (N.D. Cal., Dec. 6, 2007) where the defendant used the mark VelVeeda, which for all practical purposes, when viewed or said is the Kraft mark Velveeta. Two of the cases, *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. 124, 135 (N.D. Ga. 1981) and *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366, 377 (S.D.N.Y. 1979) are both prior to the FTDA and the TDRA, but both still used or depicted the plaintiff's actual mark. In this case Petitioners have never used Respondents' mark and when viewed or said Victor and Victoria are miles apart. The Circuit Court totally ignored this Court's finding in *Moseley v. V Secret Catalogue Inc.*, 537 U.S. 418 (2003) that the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution. This finding holds true under the TDRA as well, where the famous mark has the burden of proving that the junior mark "harms the reputation of the famous mark".

4. **Respondents' Claim That This Court's Remand Contemplated Further Proceedings Under The Proper Legal Standard And Did Not Resolve This Case Either Way Is Incorrect.**

Respondents claim that the question presented in the first round of this litigation was whether an FTDA plaintiff must establish actual dilution or merely a likelihood of dilution. *See* Brief in Opp. 14. Respondents also claim that the only issue before this Court was whether Respondents were entitled to summary judgment, not whether Petitioners were entitled to summary judgment and that this Court's

remand contemplated further proceedings under the proper legal standard. This Court in *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003) *id.* at 433 held that the FTDA's text "unambiguously requires a showing of actual dilution, rather than a likelihood of dilution." The same standard that Petitioner and Respondents both argued to this Court. "The question here is not whether the FTDA requires proof that dilution is already occurring-it plainly does, *as we have shown*."(emphasis added) "All agree, in other words, that the FTDA requires proof of present dilution." *See* Brief of Respondents at 32, *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003). Petitioner and Respondents both, stood on their evidence submitted for summary judgment. In other words, this case was argued under the proper legal standard, actual dilution. This Court found that there was a complete absence of evidence of any lessening of the capacity of the Victoria's Secret mark to identify and distinguish their goods or services. This Court also found that the evidence in the present record is not sufficient to support the summary judgment on the dilution count in favor of respondents. "The *judgment* (emphasis added) is therefore reversed, and the case is remanded for further proceedings consistent with this opinion". All issues as a matter of law and all issues as a matter of fact were decided by this Court's decision. The only proceedings remaining to be consistent with this decision were for the Circuit and District Courts to effectuate their judicial duty and reverse their prior rulings in favor of Respondents and grant summary judgment in favor of Petitioners. Had this Court denied Petitioners' writ or affirmed the decision of the Circuit Court, Petitioners' appellate process would have been exhausted and the case would have been finished. It was not fair, equal or just to allow

Respondents another opportunity to prove their case under the FTDA or the TDRA.

5. Respondents' Claims That Applying The TDRA To This Case Was Proper And Did Not Present A Retroactivity Issue Is Preposterous.

This case began June 22, 1998 when Respondents filed suit in the United States District Court for the Western District of Kentucky. This Court decided this case in favor of Petitioners on March 4, 2003. The TDRA was signed into law on October 6, 2006. Ten plus years after this case began and five plus years after the decision of this Court, on May 19, 2008, the District Court, after retroactively applying the TDRA, rendered a decision opposite of this Court. For three years and eight months all litigants under the FTDA enjoyed the benefit, consistency, and direction of this Court's precedent decision. The lower Courts have not only deprived the Petitioner of all equity, rights, and benefits of that decision, they have subjected the Petitioner to irreparable harm, forcing them to expend countless dollars, time and effort to litigate this case again under a different standard. After all of Petitioners' expense, time and effort, the lower Courts by applying the TDRA (albeit improperly applying) have rendered this Court's decision useless to Petitioners. It is unreasonable to imagine that anyone would go through the expense, time, aggravation, and effort to not reap their just rewards. Applying the TDRA to this case after the decision of this Court, is tantamount to reopening all the cases settled under the FTDA during that three plus years until its passage and litigating those cases again because Congress intended to overrule this Court's decision.

This could not possibly be what Congress intended. Without the express intent of Congress to the contrary, all laws are prospective. It is the application of those laws at the discretion of the judicial branch which would make that law retroactive or retrospective. Simply because a law's effect is futuro, if it is applied antedated to cases, that application is retroactive giving an ex post facto effect to that law. The purpose of an injunction can not be to prevent all harm, but is to prevent future harm.

There can not possibly be a remedy for something that has not happened or that may never happen. This case was not tried before Congress. If the decision of the Circuit Court is allowed to stand, Petitioners respectfully submit that the American people would no longer need the Supreme Court. If the members of Congress whom big business have donated to, do not like the outcome of a case, they will simply rewrite the law. The Circuit Courts will hold that case until that law is rewritten, and the Circuit Court will become the final say.

CONCLUSION

The time to put out a forest fire is when it begins. Waiting could harm innocent people and cause irreparable harm. The rebuttable presumption theory of the Sixth Circuit Court of Appeals would set a different standard for those that sell sex-related products, and for those that do not. This places an extra and undue burden on those that do. This would open the door for extensive litigation as to what is sex-related, lubricants, condoms, sexy lingerie, birth control foam, personal massagers, edible body topping, or all of the above. The revisions to the FTDA did not

shift the burden of proof nor did it abrogate the responsibility of the famous mark to prove dilution by tarnishment. There can not be a remedy if there is no harm. Respondents' sole proof, under the FTDA and the TDRA, is one person out of the vast millions, that made a mental association and his unestablished claim that Petitioners' goods are more tawdry, cheap, salacious and unwholesome than Respondents'. That same person thought no less of Respondents. Respondents have not proven their case under the FTDA nor the TDRA.

For the foregoing reasons, and the reasons stated in their Petition, Petitioners urge this Court to grant their Petition for Writ of Certiorari.

Respectfully submitted,

Victor and Cathy Moseley,
Pro Se
200 Sycamore St. #173
Elizabethtown, Ky. 42701
(270) 737-5231
vmoseley@windstream.net

Supreme Court, U.S
FILED
FEB 10 2011
OFFICE OF THE CLERK

No. 10-604

In the Supreme Court of the United States

VICTOR MOSELEY and CATHY MOSELEY
d/b/a VICTOR'S SECRET, VICTOR'S LITTLE SECRET,
Petitioners,

v.

V SECRET CATALOGUE, INC.,
VICTORIA'S SECRET STORES, INC.,
and VICTORIA'S SECRET CATALOGUE, INC.,
Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

PETITION FOR REHEARING

VICTOR D. MOSELEY
CATHY MOSELEY
200 SYCAMORE ST. #173
ELIZABETHTOWN, KY 42701
(270) 737-5231
vmoseley@windstream.net

Petitioners Pro Se

February 10, 2011

Becker Gallagher · Cincinnati, OH · Washington, D.C. · 800.890.5001

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PETITION FOR REHEARING

Introduction

Due to the extraordinary posture and history of this case, the Petitioner, a Pro Se litigant, with his overwhelming belief that this case has been manipulated, would be lax in his responsibility as a United States citizen if he did not petition this court for rehearing.

Petitioner, being mindful of Sup. Ct. R. 44(2) does not submit this motion for the purpose of delay, but in hopes that this Court, having heard this case once and ruling in favor of Petitioner, will reconsider and take the opportunity to clarify the language of the TDRA (Trademark Dilution Revision Act) and correct the injustices perpetrated on the Petitioner by the lower courts. The following is presented in good faith and was not previously presented in Petitioners writ (docket 10-604).

United States Patent and Trademark Office Request For Comments: Trademark Litigation Tactics

The Trademark Technical and Conforming Amendment Act of 2010 became effective on March 17, 2010. Pub. L. No. 111-146, 124 Stat. 66 (2010). The Act includes a provision that the Secretary of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, shall conduct a study and report to the Committees on the Judiciary of the House and Senate on "(1) the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights

beyond a reasonable interpretation of the scope of the rights granted to the trademark owner; and (2) the best use of Federal Government services to protect trademarks and prevent counterfeiting." Trademark Technical and Conforming Amendment Act § 4. The study and report shall also include any policy recommendations deemed appropriate.

In connection with the study, the USPTO is requesting feedback from U.S. trademark owners, practitioners, and others regarding their experiences with litigation tactics, especially those involving an attempt to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner. The USPTO also is eliciting suggestions to address any allegedly problematic litigation tactics. Questions nine, ten, and eleven, are of importance to this Court.

9. Do you think the U.S. courts have a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should the U.S. courts do?

10. What other U.S. agencies may have a responsibility to do something about the problem?

11. Do you think Congress has a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should Congress do?

Scott Smith owner of BizStarz who's company was called "EntrepreneurPR" until he got caught in the cross hairs of Entrepreneur Media, Inc filed this

response to the U.S.P.T.O. http://dl.dropbox.com/u/1727856/Request_for_Comments_Scott_Smith.pdf.

Attorney Ronald D. Coleman of New York-based Goetz Fitzpatrick LLP seems to understand the unsurmountable barriers that small business face and believes that:

> "trademark law practice has...descended to an anti-competitive methodology utilized by dominant market players not to prevent consumer confusion, as was its original rationale, but to reduce consumer choice and overall welfare by preventing competition...The civil litigation system was not designed for the use of large companies to put small enterprises out of business, but it is perfectly suited for doing so....Congress must level the playing field..."

(Source: Federalist Society for Law and Public Policy Studies, September 2010. His essay can be found at the following link http://www.fed-soc.org/doclib/20100910_ ColemanEngage11.2.pdf.

Daniel R. Castro has filed suit against Entrepreneur Media, Inc. in the United States District Court for The Western District of Texas Austin Division with the following claims which are published at the following link : http://dl.dropbox.com/u/1727856/Castro_v_EMI_1st_Amended.pdf.

The point is that small businesses across the United States are being harmed by these litigations. The Courts, by misinterpretation of the TDRA are in effect granting famous names property rights in gross,

unlimited in time, to common words of the English language. **Words like entrepreneur and secret!** This goes way beyond traditional trademark protection and is not supported by the language of the TDRA. The courts, like this court, are not affording small business equal protection under the law. After the decision of this court on March 4, 2003 the district court should have judicially estopped Respondents from pursuing the same claim, which was settled by this court's decision.

Big business use their vast resources to influence politicians, who in turn influence the courts. The courts (albeit not all) but as in this case after this Court's ruling in *Moseley v. V Secret Catalog, Inc.*, 537 U.S. 418 (2003) where the Sixth Circuit Court of Appeals, being in a position to be fully aware of the goings on of Congress illegally held this case in excess of four years, obstructing justice, until the TDRA was passed, simply to garner a favorable outcome for Respondents. Further, on the way back up the appellate ladder, the Circuit Court delivered a totally erroneous opinion that the TDRA formed a rebuttable presumption, because the Court had absolutely no evidence (which the TDRA requires) that Petitioners name would harm Respondents mark. Petitioner understands that this court has discretion in which cases it hears, and the case must meet certain criteria.

This Case Is Of National Importance And It Meets And Exceeds All Of The Criteria For This Court's Review.

The decision of the circuit court splits from two or more circuits. The decision is totally erroneous as there is no language in the TDRA to support a

rebuttable presumption theory. There is absolutely no evidence that Petitioners name would harm Respondents' famous mark. **Therefore, what could have Petitioners rebutted?** It sets a double standard for those that sell adult related products as to those that do not.

It is irrefutable that the circuit court held this case in excess of four years, violating Petitioners fifth and fourteenth amendment constitutional rights to due process. The district judge called opposing counsel into a private conference. The Circuit judge interjected into this case the totally erroneous statement, that Petitioner had never heard of Respondents' famous mark, hurting Petitioner's credibility. The statement that Congress convened to overrule this case is echoed across the country, more than suggesting political and judicial manipulation of this case.

The District and Circuit Courts Have Abused Their Judicial Discretion By Violating The Code of Conduct for United States Judges.

The lower courts have violated canons one, two, and three of the judicial code of ethics and conduct for federal judges. The following can be found at http://www.uscourts.gov/Viewer.aspx?doc=/uscourts/RulesAndPolicies/conduct/Vol02A-Ch02.pdf.

Canon 1. A Judge Should Uphold the Integrity and Independence of the Judiciary

Although judges should be independent, **they must comply with the law** and should comply with this Code.

Conversely, violation of this Code diminishes public confidence in the judiciary and injures our system of government under law.

Canon 2. A Judge Should Avoid Impropriety and the Appearance of Impropriety in All Activities

Respect for Law. A judge should respect and comply with the law and should act at all times in a manner that promotes public confidence in the integrity and impartiality of the judiciary.

The duty under Canon 2 to act in a manner that promotes public confidence in the integrity and impartiality of the judiciary applies to all the judge's activities, **including the discharge of the judge's adjudicative and administrative responsibilities.** The duty to be respectful includes the responsibility to avoid comment or behavior that could reasonably be interpreted as harassment, prejudice or bias.

Actual improprieties under this standard include violations of law, court rules, or other specific provisions of this Code.

Outside Influence. A judge should not allow family, social, **political,** financial, or other relationships to influence judicial conduct or judgment. A judge should neither lend the prestige of the judicial office to advance the private interests of the judge or others nor convey or permit others to convey the impression that they are in a special position to influence the judge. A judge should not testify voluntarily as a character witness.

Canon 3. A Judge Should Perform the Duties of the Office Fairly, Impartially and Diligently

1. **A judge should dispose promptly of the business of the court**

2. **A judge should hear and decide matters assigned**

3. **Except as set out below, a judge should not initiate, permit, or consider ex parte communications or consider other communications concerning a pending or impending matter that are made outside the presence of the parties or their lawyers.**

4. Prompt disposition of the court's business requires a judge to devote adequate time to judicial duties, to be punctual in attending court and expeditious in determining matters under submission, and to take reasonable measures to ensure that court personnel, litigants, and their lawyers cooperate with the judge to that end.

Administrative Responsibilities.

A judge should diligently discharge administrative responsibilities, maintain professional competence in judicial administration, and facilitate the performance of the administrative responsibilities of other judges and court personnel.

Compliance with the Code of Conduct

Anyone who is an officer of the federal judicial system authorized to perform judicial functions

is a judge for the purpose of this Code. All judges should comply with this Code

All claims of judicial misconduct are verifiable in the very record of this case.

Conclusion

In the interest of fair and equal justice and for all the reasons listed above, this court should reconsider and grant Petitioner's petition (10-604), reverse the decision of the Sixth Circuit Court of Appeals, grant summary judgement and enter an order of final judgment in favor of the Petitioner.

Respectfully Submitted,

Victor D. Moseley
Cathy Moseley
200 Sycamore St. #173
Elizabethtown, KY 42701
(270) 737-5231
vmoseley@windstream.net

Petitioners Pro Se

CERTIFICATION

The foregoing is restricted to the grounds specified in 44.2 S. Ct. R. and it is presented in good faith and not for delay.

Victor Moseley - sem

Victor D. Moseley
Petitioner Pro Se